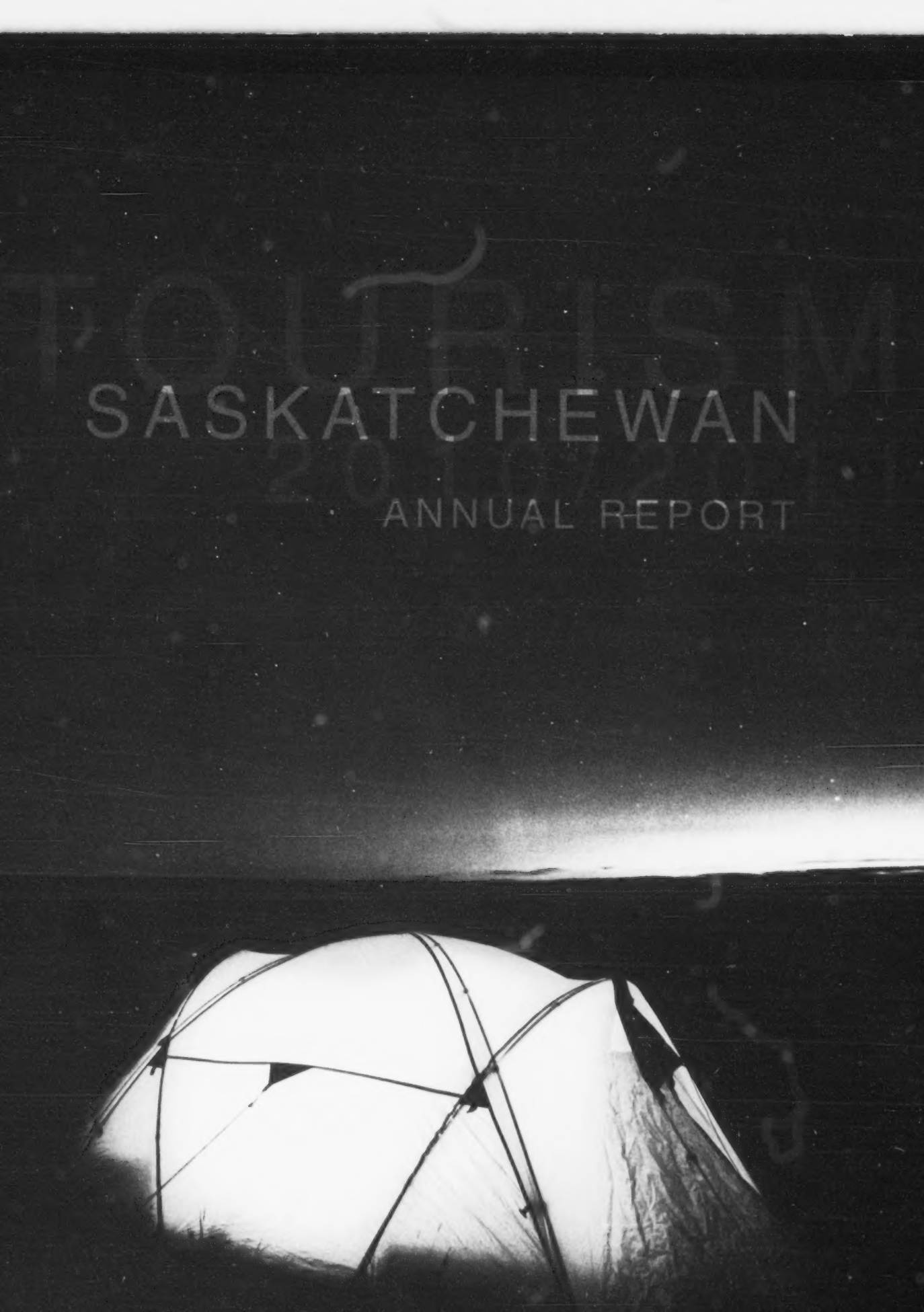
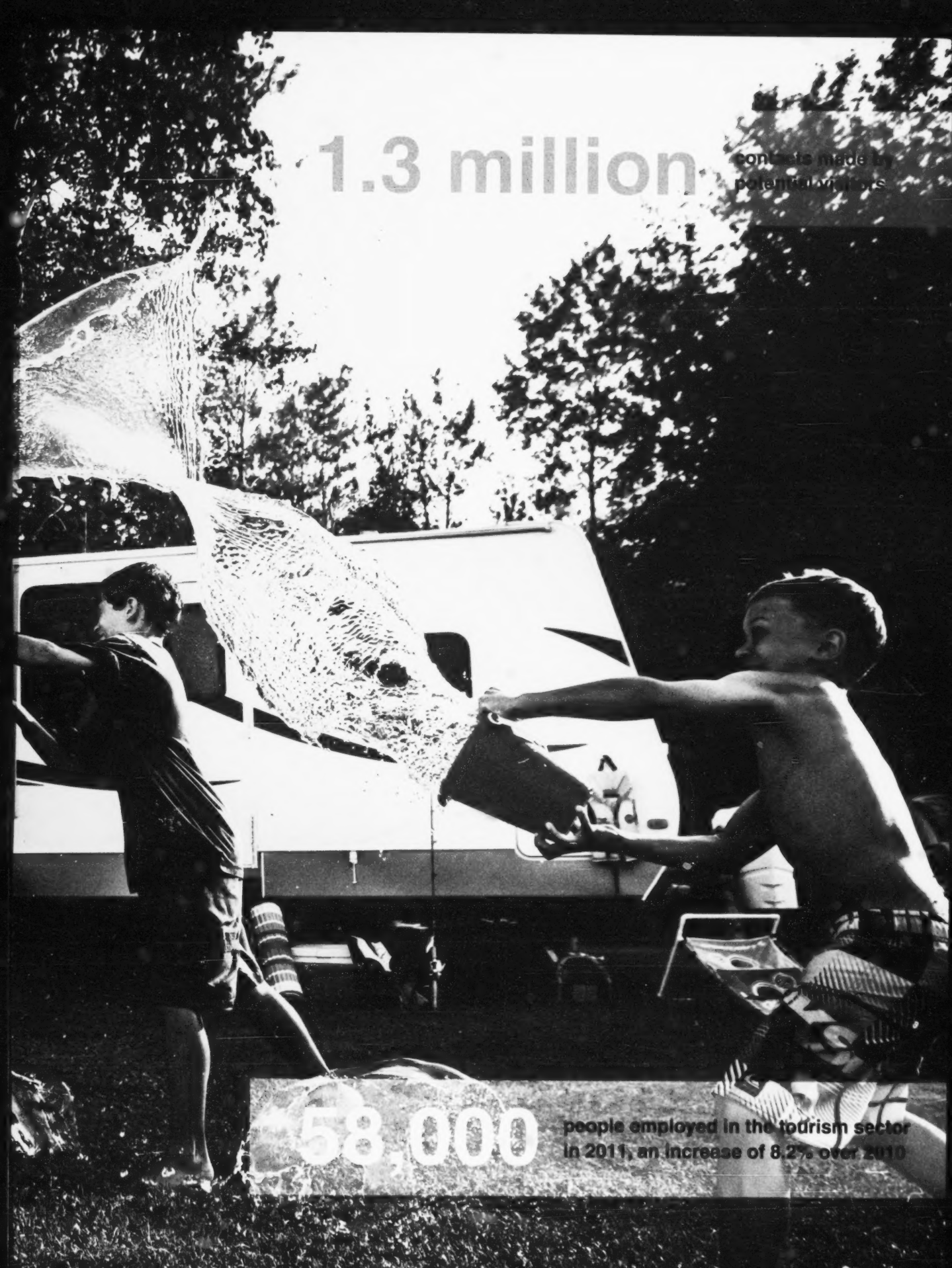
SASKATCHEWAN

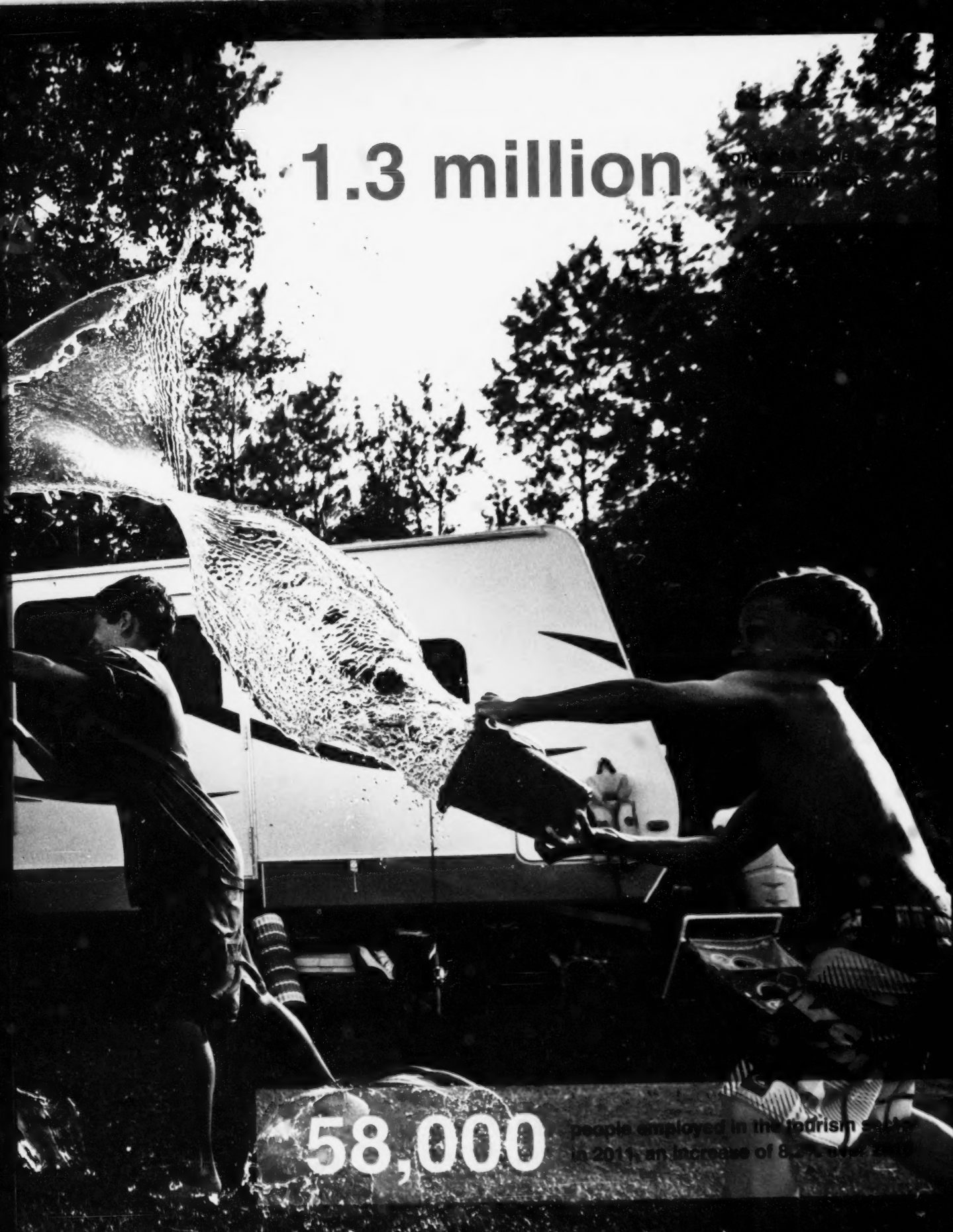
ANNUAL REPORT



$1.647
billion in travel
expenditures in 2010
9 million
total visi
2010


1.3 million
contacts made by
potential visitors
58,000
people employed in the tourism sector
in 2011, an increase of 8.2% over 2010

$1:647
9 million


1.3 million
58,000

CULTURE OF QUALITY

Saskatchewan's tourism sector experienced growth in a number of areas in 2010-2011. Traveller expenditures were nearly $1.65 billion, employment figures showed that more than 58,000 people made their living in tourism-related occupations, and 9 million visits were made to and within Saskatchewan.

Even with this success, there are still opportunities for growth and development. In order to sustain this momentum, it is essential that Tourism Saskatchewan continues to market the province strategically and meets the four objectives set forth within its Ends Policies.

Building on the achievements of 2010-2011 and looking forward to the coming year, Tourism Saskatchewan will PROMOTE Saskatchewan, DEVELOP capacity, ADVOCATE on behalf of Saskatchewan's tourism industry, and LEAD through corporate stewardship. In turn, the organization will strive to achieve its Vision of being "the driving force in the development and marketing of a world-class destination."

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Cover image: *Grasslands National Park of Canada*

TOURISM SASKATCHEWAN

The tourism sector in Saskatchewan is represented by Tourism Saskatchewan, a board-driven, membership-based, industry/government partnership, which is the driving force in the development, promotion, and marketing of a world-class destination. The organization represents over 1,700 members and more than 3,500 tourism industry stakeholders.

Working with industry members, government partners, and a number of stakeholders, Tourism Saskatchewan strives to be innovative, efficient, and effective in its delivery of core support to the sector, and leads a variety of initiatives across a broad range of areas – marketing, education, human resource development, visitor services, industry development, research, member services, and more – to support growth and economic development.

Tourism Saskatchewan was created in 1994, the result of recommendations and supporting work by an industry/government taskforce. Government legislation was passed in support of the new model – the first of such models in Canada – and *The Tourism Act* was revised in 1996 to effectively represent the merging of TISASK, the Saskatchewan Tourism Education Council (STEC), and the product development area of the provincial government with Tourism Saskatchewan.

As a sector-based organization, Tourism Saskatchewan is dually accountable. In the delivery of its strategic business operations, management is responsible for ensuring that Tourism Saskatchewan meets the requirements of eight legislated functions and responds to the policy-based form of governance outlined by the Board of Directors.

Identified in *The Tourism Act* are the legislated functions that currently comprise Tourism Saskatchewan's core mandate:

1. The marketing of tourism;
2. The provision of visitor and information services;
3. The education and training of those working in the tourism industry;
4. The planning and development of destination areas;
5. The administration of tourism funding programs;
6. Research and policy development in tourism;
7. Public awareness of tourism; and,
8. The development and promotion of tourism in Saskatchewan.

Tourism Saskatchewan's legislated mandate sets the broad responsibilities for the organization. Ends Policies provide focus for the operational activities and organizational objectives in four key areas.

Ends Policies:

- Promote Saskatchewan;
- Develop Capacity;
- Advocate on Behalf of Saskatchewan's Tourism Industry; and,
- Lead through Corporate Stewardship.

Twin Falls

Vision Statement

Tourism Saskatchewan's Vision Statement conveys the long-term direction of the organization.

"Tourism Saskatchewan is the driving force in the development and marketing of a world-class destination."

Corporate Values

Corporate Values illustrate the way in which the organization strives to do its business of representing the province's tourism sector.

- Integrity – Commitment with Integrity
- Excellence – Leadership through Excellence
- Respect – Teamwork built on Respect
- Innovation – Continuous Improvement supporting Innovation

ORGANIZATIONAL STRUCTURE

Membership
Over 1,700

Board of Directors

Executive Office
President/Chief Executive Officer: Dr. Lynda Haverstock
Vice-President: Candace Phelps

Responsible for all operational activities, manages corporate/community/government relations, executive communications, human resources, event management, policy development, special projects, and lobbies on behalf of the sector. President/CEO works with the Board of Directors to ensure that the governance model is properly executed. Executive Office provides administrative support to the Board of Directors and oversees the organization and activities of the President's Task Teams.

Finance and Administration
Chief Financial Officer: Veronica Gelowitz

Responsible for financial management and reporting, and facilities and materials administration. The department supports the corporate accountability of Tourism Saskatchewan's operations and ensures financial and administrative systems are in place to manage efficient, cost-effective performance.

Marketing
Director of Marketing: Jonathan Potts

Responsible for promoting awareness of the province's tourism opportunities and expanding communication with and on behalf of the sector. Functions managed by the department include: advertising, promotion, media publicity, research, front-line visitor services, image library, production of travel literature, advertising sales, and corporate communications.

eBusiness and Technology
Director of eBusiness and Technology: Grant McDonald

Responsible for promoting Saskatchewan's tourism sector through online channels, and guiding the strategic implementation of technology throughout the organization. The department manages the consumer website (www.sasktourism.com), along with mobile and specialty sites and apps, online advertising, social media, consumer email marketing, as well as the development and maintenance of tourism industry databases.

Industry Development
Director of Industry Development: Ian McGilp

Responsible for providing tourism planning assistance and direction to destination areas, communities, businesses, attractions, and related groups throughout the province. These activities focus on creating a business environment that leads to increased visitor expenditures and profitable operating results. The department is also responsible for providing membership administration.

Lake Diefenbaker

Quality Assurance
Program Director of Quality Assurance: Tracy Breher

Responsible for the creation of a sector-wide Quality Assurance Program (QAP) for the province. Building on the foundation and leadership provided by the President's Quality Assurance Task Team, the program will be industry-developed and accessible for all business types. The QAP is in the development phase, with the first program streams targeted for introduction in fall 2012.

Saskatchewan Tourism Education Council (STEC)
Director of Education and Training (STEC): Carol Lumb

Responsible for the coordination of human resource development initiatives, and the provision of education and training to support Saskatchewan's tourism sector. STEC's mandate addresses human resource management, employee recruitment and retention, post-secondary and technical training, awareness of tourism as a viable career choice, and the development of a professional and more representative tourism workforce.

BOARD OF DIRECTORS

Tourism Saskatchewan is governed by a 15-member Board of Directors – 10 industry-appointed positions, three elected by the membership, and two appointed by the Government of Saskatchewan.

These individuals volunteer their time and efforts to the organization, and commit to representing the entire industry, rather than the interests of their respective sectors.

On behalf of the sector, the Board of Directors meets approximately eight times annually to monitor the work of Tourism Saskatchewan and provide direction to the administration.

2010-2011 Board of Directors

Susan Schigol, Chair, Saskatchewan Outfitters Association
Randy Goulden, Vice-Chair, Member-at-Large
Leon Brin, Regina Regional Opportunities Commission
Mark Caswell, Southwest/South East Tourism Regions
Joe Chad, Member-at-Large
Jasmine Deblois, Saskatchewan Hotel & Hospitality Association
Chris Dekker, Government of Saskatchewan
Sandra Lebarre, West Central/East Central Tourism Regions
Courtney Skrupski, Northern Tourism Region
Dana Soonias, Member-at-Large
Terry Verbeke, Tourism Saskatoon
Jack Walton, Heritage/Arts/Multicultural Organizations
Wynne Young, Government of Saskatchewan
Vacant, Métis Nation of Saskatchewan
Vacant, Federation of Saskatchewan Indian Nations

From Left to Right: *Mark Caswell, Jack Walton, Randy Goulden, Courtney Skrupski, Sue Schigol, Terry Verbeke, Sandra LeBarre, Chris Dekker, Leon Brin*

Missing: *Joe Chad, Jasmine DeBlois, Dana Soonias, Wynne Young*

The following information demonstrates the attendance of individual Board of Directors at nine board meetings held during the October 1, 2010 to September 30, 2011 fiscal year.
Please note: Terms of Board Members run per calendar year.

Carey Baker (2/2) - *Term ended December 2010*
Susan Schigol (9/9)
Randy Goulden (9/9)
Leon Brin (9/9)
Mark Caswell (8/9)
Joe Chad (5/9)
Jasmine DeBlois (7/9)
Chris Dekker (5/9)
Sandra Lebarre (9/9)
Brenda Sherring (2/2) - *Term ended December 2010*
Courtney Skrupski (7/7)
Dana Soonias (6/9)
Terry Verbeke (6/9)
Jack Walton (8/8)
Wynne Young (5/9)
Métis Nation of Saskatchewan (n/a)
- *Vacant as of January 2006*
Federation of Saskatchewan Indian Nations (n/a)
- *Vacant as of January 2009*

MESSAGE FROM THE MINISTER

This past year has been one of continued growth and development for the tourism industry in Saskatchewan. Building on the momentum of our presence at the 2010 Winter Vancouver Olympic and Paralympics Games, we took pride in telling Saskatchewan's story to the world.

In April, the Government of Saskatchewan, in partnership with Tourism Saskatchewan, shared our story at *Prairie Scene* in Ottawa, where we promoted Saskatchewan's cultural and artistic community. The Ministry of Tourism, Parks, Culture and Sport also celebrated the 80th anniversary of Saskatchewan's provincial park system, including the culmination of a four-year, $33-million commitment to improving our provincial parks.

Throughout 2011, Saskatchewan's tourism industry continued to move forward. Overnight or longer visitor expenditures were forecasted to have grown by 7.5 per cent. Saskatchewan played host to large national and international events, and launched an in-province marketing campaign to promote Saskatchewan to our own residents.

In 2010, travel and tourism generated an estimated $1.65 billion in traveller expenditures in Saskatchewan, and with approximately 4,000 tourism-related businesses in the province, supporting almost 60,000 jobs, tourism remains an important economic generator.

When our government took office in 2007, we made the commitment to double the funding to tourism in Saskatchewan. I am proud to say that over the past four years, our government has met and exceeded this commitment, delivering $34 million in tourism funding, including a 50 per cent increase in annual funding to Tourism Saskatchewan.

In the 2011 Provincial Budget, we made a commitment to fund the first stage of development of a Quality Assurance Program for Saskatchewan's tourism industry. I am pleased that some important milestones of this project have already been reached, including the creation of the first set of industry-developed quality criteria. This program will ensure that visitors to Saskatchewan will have high-quality experiences, the kind that build a personal connection with our province and brings them back again and again.

Looking forward, I am confident that the year ahead will be one of significant growth. The ministry will continue to support the hosting of major events through our Event Hosting Program, including the 2012 Tim Horton's Brier and Canadian Country Music Awards. The excellent teamwork of Tourism Saskatchewan, City Marketing Organizations, and Destination Marketing Organizations in promoting Saskatchewan is an important element in attracting and hosting these events.

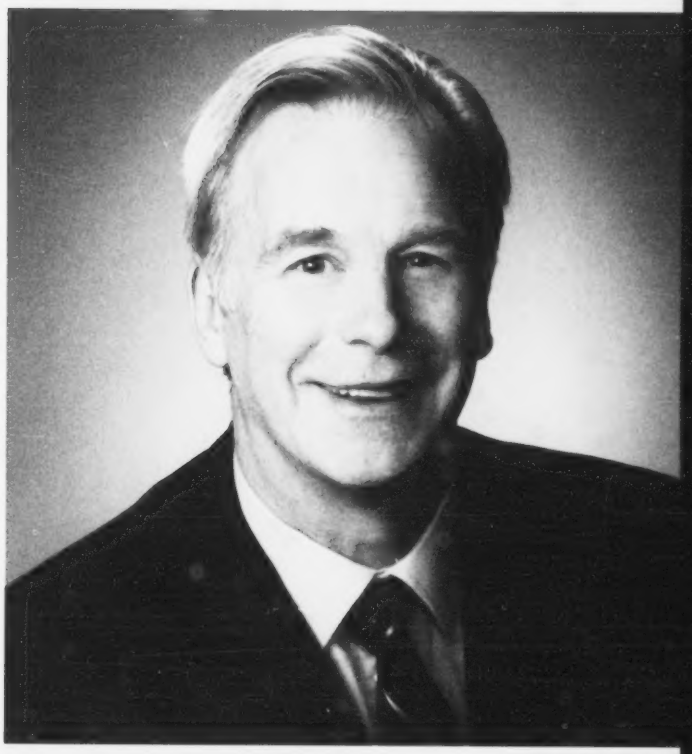
Saskatchewan has a strong economy, a growing population, and a quality of life that is the envy of many. We have an abundance of natural beauty and a rich arts and culture scene. Yes, the future for Saskatchewan looks bright and I encourage everyone to come see it for themselves.

Best wishes for continued success.

Sincerely,

Bill Hutchinson

Bill Hutchinson
Minister of Tourism, Parks, Culture and Sport



MESSAGE FROM THE CHAIR

The past year has been a tumultuous and exciting time, full of challenges and successes. The tourism sector continued to develop and expand, bringing new opportunities for visitors around the world to experience the wonders of our province. It has been a rare privilege to serve as Board Chair and witness firsthand the dedication, commitment, and energy that organizations, operators, and many stakeholders bring to the tourism sector.

Tourism Saskatchewan has been busy this year. A few notable highlights from the 2010-2011 fiscal year include:

- Targeted marketing initiatives that raised Saskatchewan's profile throughout North America, including Tourism Saskatchewan's first 30-second fishing commercial;
- The launch of a new website dedicated to travel media, which earned the online marketing team a *GoMedia* award;
- Continued development of destination area planning in various parts of the province;
- The appointment of a Program Director to the Quality Assurance Program, which continued to develop criteria for quality assurance;
- Continued redesign of Tourism Saskatchewan's travel literature series, with a new look and content for the *2011 Saskatchewan Fishing and Hunting Guide*;
- Successful advocacy initiatives, including *Tourism Awareness Week*, our first *Tourism Advocacy Day*, and the fourth annual *HOST Saskatchewan Conference*;
- The cultural partnership launched between Tourism Saskatchewan, the Saskatchewan Arts Board, and SaskArt (formerly SPAGA); and
- The call from the Regional Board of Directors for a more flexible and responsive funding model, which led to the establishment of the Tourism Program Funding Review Committee and the decision to reallocate administrative funding for the Regions.

In 2010-2011, Saskatchewan's tourism industry continued to grow and build on its successes. Tourism contributed almost $1.65 billion to the economy, a small but notable gain over 2009. At 58,000 people, significant gains were made in employment in the sector with an increase of 8.2 per cent over the previous year. Despite a slight drop in visits from the U.S., overall visits were up by 1.8 per cent over the previous year, with a total of almost 9.1 million visits.

Building and fostering relationships is key to the success of our industry. Tourism Saskatchewan has a leadership role to play in encouraging every part of the sector to work together, from operators and sector organizations to the business community and all levels of government. As this year has shown, success comes from collaborating to best serve our industry.

I extend my sincere thanks and appreciation to the staff and management of Tourism Saskatchewan. They have worked hard this year to serve the sector. My special thanks go out to Dr. Lynda Haverstock, who continues to guide the organization and provide steady, inspired leadership.

I also acknowledge the efforts made by volunteer committees, dedicated President's Task Teams, the rural Regions, government partners, the Ministry of Tourism, Parks, Culture and Sport, stakeholder associations, and sponsors.

Last but not least, my thanks go out to the Board of Directors of Tourism Saskatchewan. This year, we faced some significant challenges that required decisive and courageous responses. We called for changes that will shape the future of the tourism sector for years to come.

As we look toward the new year, let us take a moment to reflect on 2010-2011. This was a year in which we can all take pride. The changes, both large and small, will bring about many challenges and opportunities for Tourism Saskatchewan and the sector as a whole. I am confident that we have laid the foundations to meet these challenges and continue to build an enduring "culture of quality." On behalf of the Board of Directors, I thank you all.

Sue Schigol
Board Chair

MESSAGE FROM THE PRESIDENT/CEO

Instilling a "Culture of Quality" throughout our province's tourism sector might seem like a lofty goal. The same can be said about our Vision: "Tourism Saskatchewan is the driving force in the development and marketing of a world-class destination."

Indeed, we are an organization that aims high and strives to hit our mark.

The theme, a "Culture of Quality," was introduced at the 2011 *HOST Saskatchewan Conference* in April. The timing was appropriate, given that conference highlights included honouring 40 finalists at the *Saskatchewan Tourism Awards of Excellence Gala*, along with nine businesses that had earned *Employer of Choice* designation. As well, there was significant progress to report on the Quality Assurance Program. The pages of this Annual Report outline Tourism Saskatchewan's commitment to a "Culture of Quality" in our operations and activities throughout the 2010-2011 fiscal year.

Strategic planning for our organization follows a course set by seven clear goals identified in our *Three-Year Business Plan 2009-2012*. Typical of most exciting and eventful journeys are the realities of embracing change and undertaking new actions in order to achieve objectives. We anticipated that the relocation of our Regina office to the city's downtown would boost the profile of Tourism Saskatchewan and broaden awareness of the sector. Judging from the level of activity in both our Regina and Saskatoon offices, our hunches were accurate. With utmost professionalism, staff members have risen to the challenges that come with a major move and all of the inquiries, visits, and responsibilities that ensue.

Saskatchewan's first Tourism Advocacy Day at the provincial legislature provided us with an opportunity to share current issues, as well as tourism success stories with elected leaders. Throughout the year, follow-up meetings, calls, and correspondence kept officials informed and up-to-date on our concerns, and acknowledged several most-welcome government investments in our sector.

Every department deserves kudos for exceptional work throughout 2010-2011. Tourism marketing is fiercely competitive. We face stiff rivalry from other jurisdictions that invest substantially in their promotional campaigns and tools. Our marketing professionals address this fact with clever, innovative techniques and by putting time and effort into leveraging partnerships. As a result, exploring key international markets became an option for us this past year, although still on a very modest level. Nevertheless, we fully appreciated the chance to participate in a trade mission to China, establish a Saskatchewan presence in London, England on Canada Day, and host VIPs visiting the province for a conference examining opportunities for doing business with and welcoming travel from India.

Partnerships with various operators and stakeholders assisted our efforts to entice our southern "neighbours" to visit. The addition of direct air links between Saskatchewan and Denver and Chicago brought these markets into consideration. Our investment in building a comprehensive travel media website and forging relationships with American and Canadian outdoor writers and travel media outlets is generating significant returns.

Rapid advancements in technology have changed many traditional ways of advertising and conducting business. Paying close attention to consumer research, purchasing trends, and travellers' more sophisticated expectations, we took proactive steps and created a department dedicated to eBusiness and Technology.

The issue of Quality Assurance also warranted an enhanced focus. Assigning a Program Director to this important area has advanced the project ahead of the target set by the President's Quality Assurance Task Team.

Communities, destination areas, and tourism businesses throughout the province benefitted from the fine work and dedication of our Industry Development team, and our education division, the renowned Saskatchewan Tourism Education Council. Tourism Saskatchewan added an asset to its Finance and Administration Department – a new Chief Financial Officer. Once again, we are pleased to report another cycle of prudent financial oversight.

During the latter half of 2010-2011, the Board of Directors, management, and key staff pulled out "all of the stops" to address a request from Chairs of the rural Regions for a more responsive tourism funding program. Time was of the essence, given the looming expiry date of the Memorandum of Agreement. In a matter of weeks, a Tourism Funding Program Review Committee held province-wide consultations with industry and gathered insights through an online survey, assessed the findings, and provided a report to our Board of Directors. With minor amendments, the Board accepted the committee's recommendations. By September 1, a Transition Advisory Team, which has local/regional representation, was in place to provide guidance and oversight as the recommended changes are implemented.

Vision, understanding, and utmost co-operation have been key to processes evolving smoothly, rationally, and remaining focused on a stronger bottom line for tourism businesses and on the sector's best interests. Tourism Saskatchewan is grateful to all who have embraced teamwork and have their sights clearly set on growth and success for tourism in our province.

Lynda Haverstock, C.M., S.O.M., Ph.D., LL.D.
President/CEO

2010-2011 IN REVIEW

The 2010-2011 fiscal year was a period in which the tourism sector continued to make forward strides. Tourism Saskatchewan once again worked strategically to achieve its corporate vision of being "the driving force in the development and marketing of a world-class destination," while working collaboratively with industry partners, stakeholders, government, and members.

The tourism sector continued to grow in 2010-2011. Tourism generated $1.647 billion in revenue for the province, up by 1 per cent from 2009. Notable gains were made in tourism employment, with 58,000 people employed by the sector in 2010, a rise of 8.2 per cent from the previous year. Overall, there were almost 9.1 million visits made to Saskatchewan in 2010.

The theme of Tourism Saskatchewan's operations in this past year was instilling and building a "Culture of Quality" throughout the sector. Guided by the four objectives outlined in the organization's Ends Policies – PROMOTE Saskatchewan, DEVELOP capacity, ADVOCATE on behalf of Saskatchewan's tourism industry, and LEAD through corporate stewardship – Tourism Saskatchewan set out to accomplish its unique and complex mandate that encompasses marketing, education and training, visitor services, industry development, research, member services, and more. Tourism Saskatchewan's careful strategic planning and forward-thinking leadership helped the organization meet its objectives.

Marketing initiatives in Tourism Saskatchewan's target markets outside of the province helped raise the profile of the province and present Saskatchewan as an attractive destination, especially for outdoor adventure seekers. Colorado was the subject of intense marketing, which was accomplished through trade shows and media buys. In 2011, the organization produced its first 30-second commercial to promote the province's angling product, which ran on the *World Fishing Network (WFN)* – a cable specialty channel which has more than three million U.S. and 754,000 Canadian subscribers.

In October 2010, the travel media relations team launched a new website. The site won the Canadian Tourism Commission's *GoMedia Award* for Best Online Media Centre in 2011. Also developed was the organization's first mobile app. iFish Sask is an application for iPhone and iPod Touch that provides useful information for anglers. The app receives 1,800 visits per month.

Tourism Saskatchewan participated in the Experience Canada Pavilion at the sixth annual Canada Day in London, England. Delegates met with various officials and explored new opportunities for working with trade and travel media in the United Kingdom.

In accordance with Tourism Saskatchewan's commitment to developing tourism products and working with stakeholders to accomplish its goals, Destination Area Planning occurred throughout the province. Implementation of the Lake Diefenbaker Destination Area Plan continued, with a five-year plan announced by the Ministry of Tourism, Parks, Culture and Sport to improve the Elbow Harbour Marina. Other notable developments included the opening of Cypress Hills Eco-Adventures and the construction of the Cypress HIlls Interprovincial Park Observatory. The Trails of 1885 Association Inc. was

Carla Bechard and Karen Hill at CoMedia Canada Marketplace

Summer Road Trip - Flora Bora Forest Lodging

Tourism Awareness Week launch event, Regina

Tourism Advocacy Day

recognized for its achievements with two *Saskatchewan Tourism Awards of Excellence*, as well as being named as a finalist in the *Canadian Tourism Awards*.

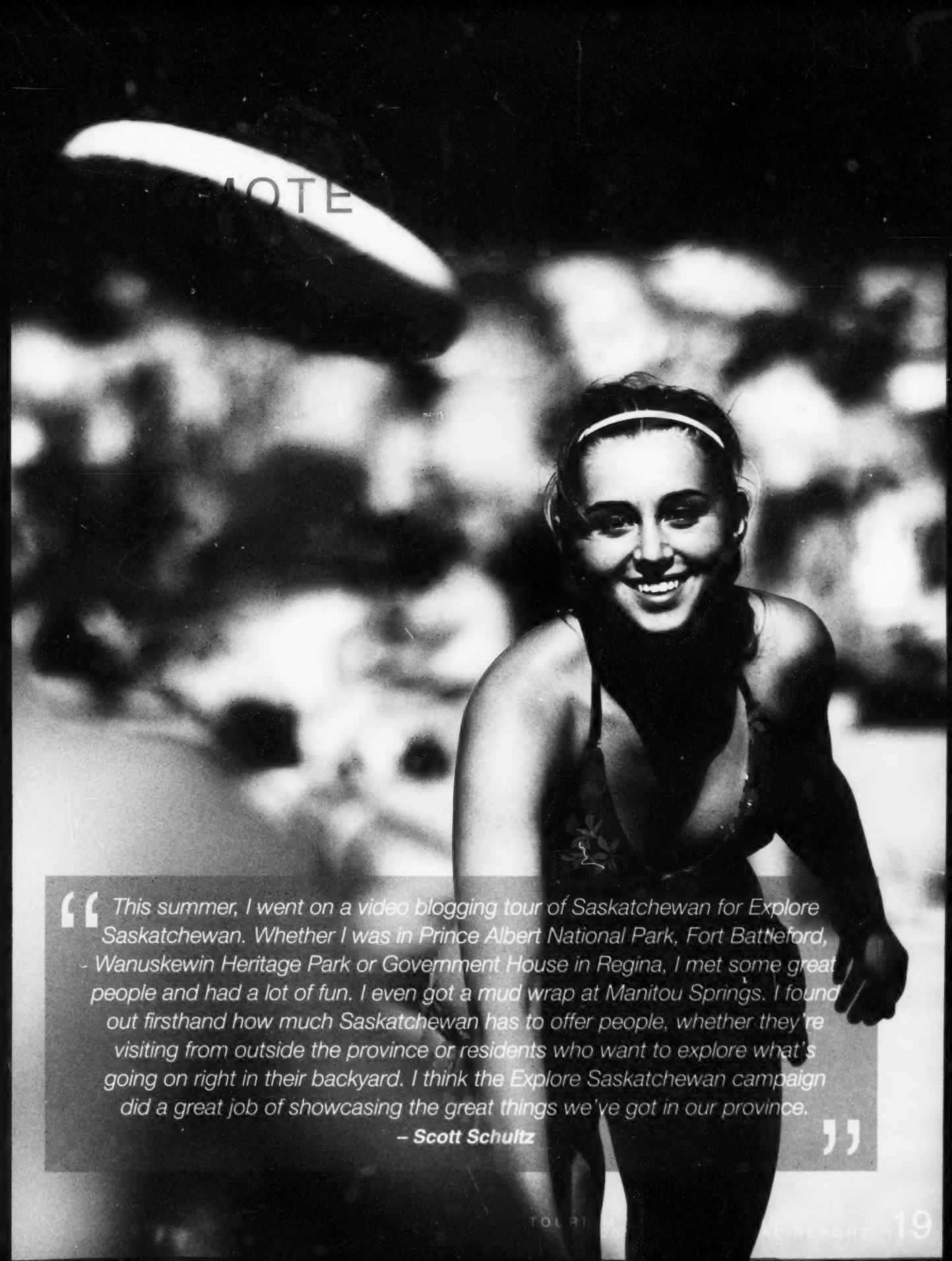
The Quality Assurance Program continued to move forward in the second year of its implementation. A Program Director was appointed, which allowed for progress to be made on the development of quality assurance criteria. The Saskatchewan Tourism Education Council (STEC) delivered a wide range of services and programs, including industry training, the *Ready To Work - Tourism Careers (RTW) Program*, *emerit* Certification, *Employer of Choice* program (Tourism Saskatchewan has achieved an *Employer of Choice* designation), professional recognition dinners, and more. In addition to existing programs, STEC began work on a marketing strategy and introduced the innovative *UPSKILL Essentials to Excel* program.

The first Tourism Advocacy Day at the provincial legislature was held on November 2. Represented by members of the Board of Directors, Senior Management, and President's Task Teams, Tourism Saskatchewan addressed Government and Opposition caucuses, bringing key concerns and tourism success stories to elected officials.

Tourism Saskatchewan underwent some significant internal changes throughout the year to meet the changing demands of the sector and align with the goals set out in the *Three-Year Business Plan 2009-2012*. Several management personnel assumed new positions, and the Industry Relations (now Communications Branch) and Marketing Departments were merged. A new department, eBusiness and Technology, was created to reflect the increasing importance of technology and social media to the tourism industry.

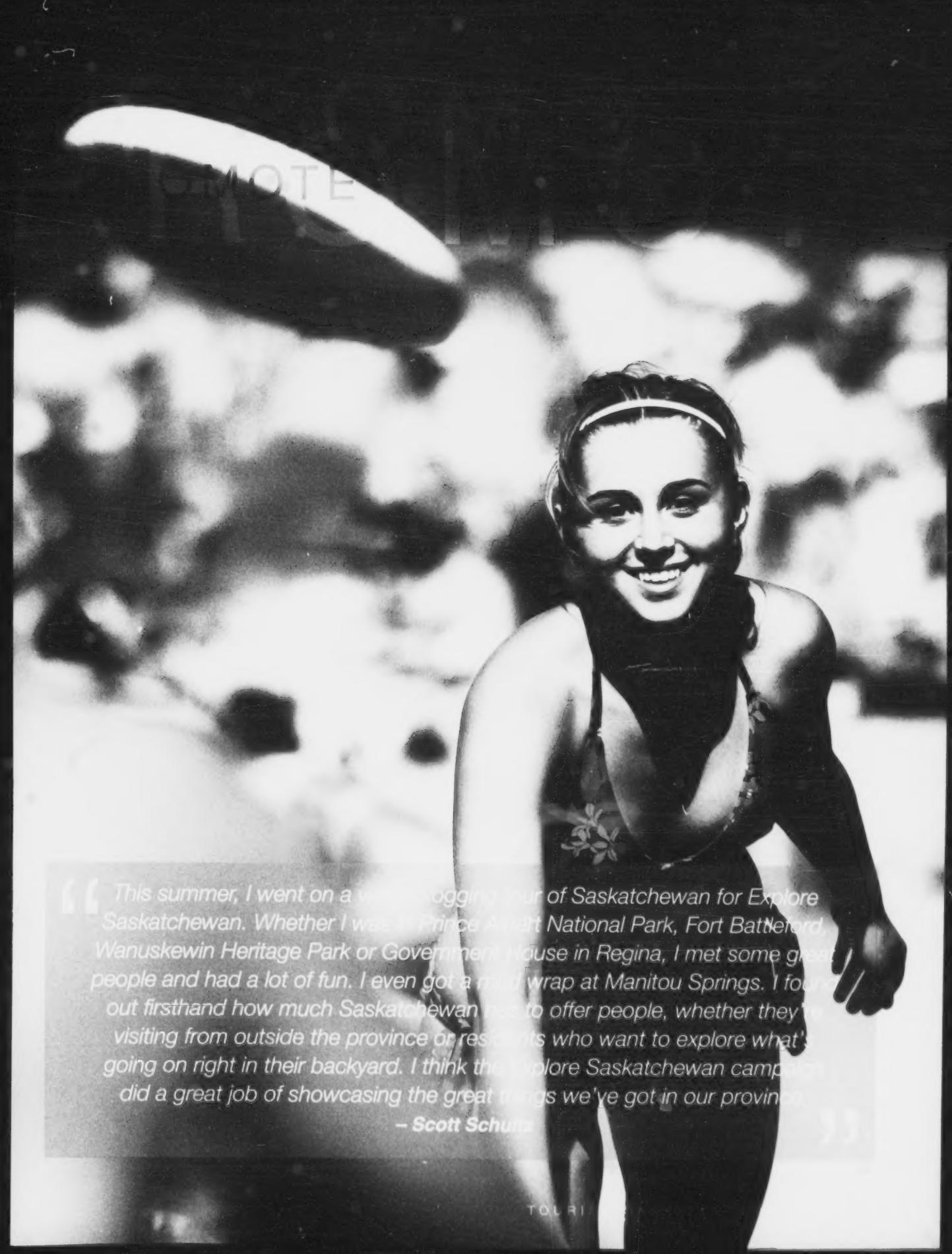
Another significant change in 2011 was the Tourism Funding Program Review. The Memorandum of Agreement (MOA) between Tourism Saskatchewan, the five rural Regions, and the City Marketing Organizations (CMOs), which defined funding relationships between the various bodies in the agreement, was set to expire in 2011. At a meeting of the Regional Chairs in April 2011, they clearly expressed their desire for a more efficient, responsive funding model – one that would improve the "bottom line" for operators and attractions. Since then, work has been underway to consult with industry and stakeholders to develop and implement a new funding model that will continue to grow the sector, while maintaining the grassroots connections with industry that are vital to success.

The year 2010-2011 proved to be one filled with both change and achievement. Once again, Tourism Saskatchewan successfully fulfilled its core operational objectives: providing visitor information services, educating and training the tourism industry workforce, planning and developing destination areas, administering tourism funding programs, conducting research and policy development in tourism, raising awareness of the tourism sector, and marketing our province to potential visitors on the national and international stage.



This summer, I went on a video blogging tour of Saskatchewan for Explore Saskatchewan. Whether I was in Prince Albert National Park, Fort Battleford, Wanuskewin Heritage Park or Government House in Regina, I met some great people and had a lot of fun. I even got a mud wrap at Manitou Springs. I found out firsthand how much Saskatchewan has to offer people, whether they're visiting from outside the province or residents who want to explore what's going on right in their backyard. I think the Explore Saskatchewan campaign did a great job of showcasing the great things we've got in our province.

– Scott Schultz



"This summer, I went on a [illegible] of Saskatchewan for Explore Saskatchewan. Whether I was [illegible] National Park, Fort Battleford, Wanuskewin Heritage Park or Government House in Regina, I met some great people and had a lot of fun. I even got a [illegible] wrap at Manitou Springs. I found out firsthand how much Saskatchewan has to offer people, whether they're visiting from outside the province or residents who want to explore what's going on right in their backyard. I think the Explore Saskatchewan campaign did a great job of showcasing the great things we've got in our province."

– Scott Schultz

PROMOTE

One of Tourism Saskatchewan's Ends Policies states that the organization will promote Saskatchewan by articulating the province's unique tourism experiences in a manner that promotes a positive image to potential visitors and citizens alike. In 2010-2011, Tourism Saskatchewan embarked on a number of initiatives to achieve this goal.

Consumer Contacts

Tourism Saskatchewan promotes the province's unique tourism experiences with two primary goals in mind – improving Saskatchewan's image in key markets and influencing potential visitors through the provision of information to help them choose Saskatchewan tourism experiences for their travel.

Progress toward these goals can be measured through the number of opportunities that potential visitors are exposed to Saskatchewan tourism messaging (impressions) and through the number of consumer contacts related to accessing Saskatchewan tourism information (consumer contacts).

In 2010-2011, potential visitors were exposed to positive messages about Saskatchewan more than 685 million times through advertising, marketing, and unpaid media activities. Potential visitors made more than 1.3 million contacts with Tourism Saskatchewan, gathering information about the province's experiences and tourism products. Of these 1.3 million contacts, over 525,000 are directly attributable to advertising and marketing activities, including online advertising, traditional advertising, consumer marketplaces, and travel media. The remaining contacts are made in a variety of ways, including by those finding the website through a search engine, stopping at a Visitor Reception Centre, or calling the toll-free line.

Online Marketing

The ever-changing world of online marketing is evolving at a rapid rate, and Tourism Saskatchewan continues to keep pace or lead the way in this dynamic field.

Its mobile website, www.2sk.ca, saw a 220 per cent growth in usage over last year, and work is nearing completion on a major upgrade that will include a new design, more tourism information, geo-location services, itinerary building, and more. The same new design and features will be found across the matching suite of mobile apps also being developed, which includes those for iPhone, iPod Touch, iPad, BlackBerry, and Android. In spring 2011, Tourism Saskatchewan also launched iFish Sask, an app for iPhone and iPod Touch dedicated to fishing in Saskatchewan. iFish Sask includes lake and species information, current weather, detailed listings of Tourism Saskatchewan members, and is visited over 1,800 times per month.

Social media continues to play an increasing role in awareness and marketing. Tourism Saskatchewan's main *Facebook* page boasts over 6,700 fans (double over the previous year), and its fishing *Facebook* page has another 1,500 fans. These pages generated over 914,000 post views and over 1,900 post interactions. Video views on Tourism Saskatchewan's *YouTube* channels exceeded 44,000 views, and over 2,000 followers get updates via *Twitter*. The *SaskSecrets* newsletter is sent to nearly 40,000 subscribers monthly.

Visitation to Tourism Saskatchewan's network of websites (www.sasktourism.com, www.fishing-in-saskatchewan.com, www.exploresaskatchewan.com, and www.puresk.ca) increased by 15 per cent for a combined total of over 1 million visits. These visits generated more than 250,000 visits to tourism operator websites.

Advertising

Tourism Saskatchewan ran television advertising in Alberta to build on Saskatchewan's image as a prime destination for outdoor recreation. This promotion ran in two flights in the spring on CTV, Global, and CBC in Calgary and Edmonton, delivering approximately 6 million impressions.

Several print-based initiatives supplemented the television buy, including a 12-page newspaper insert with 360,000 pieces distributed in nine selected Alberta communities. The insert focused on destination areas in Saskatchewan, including national and provincial parks, popular lakes, and cities.

In the United States, advertising initiatives were targeted at a tightly focused fishing and hunting audience. Direct mail was used to test new options in Illinois, Colorado, and Minnesota, in support of the direct air access to Saskatchewan from those states. This initiative was supplemented with inserts to reach a large outdoor audience across the U.S. Tourism Saskatchewan created its first 30-second fishing commercial, which ran on the *World Fishing Network (WFN)*, a cable specialty channel dedicated to anglers. *WFN* has more than 3 million U.S. and 754,000 Canadian subscribers. The online component with *WFN* included leaderboard, videos, newsletters, and iPhone/iPad ads.

To reach potential pass-through markets, Tourism Saskatchewan maintained its premium position on the inside front cover of the *Western Canada* and *Alaska AAA/CAA Tour Book*. Over 650,000 copies were produced for potential use by 50 million members, 60 per cent of whom are American. Across all promotions, a "Build-Your-Own-Vacation Contest" was offered.

Travel Media

In 2010-11, the travel media assistance program provided financial support to a total of 67 individual and group visits, resulting in approximately $2.25 million in exposure through print, television, and web-based media in Canada, the United States, the United Kingdom, and Germany. Tourism Saskatchewan's media monitoring service identifed a further $2 million in non-influenced exposure in Canadian and U.S. markets. An additional 13 media guests were supported with the necessary travel documents to visit Saskatchewan and complete their stories.

In October 2010, the travel media relations team launched a new website dedicated to travel media. The website won the Canadian Tourism Commission *GoMedia Award* for Best Online Media Centre in 2011. The judge, Scott Anderson, Senior Vice-President Digital Content Strategy and Managing Director, Canada.com and Postmedia Network Inc., said: *"Tourism Saskatchewan's media site is an elegant and informative destination perfectly suited to the needs of media professionals ... Saskatchewan is lucky to have such an effective online ambassador."*

In 2010-2011, Canada's national parks, two of which are located in Saskatchewan, celebrated 100 years. Capitalizing on Parks Canada's national efforts, Tourism Saskatchewan's media publicity program hosted 14 media representatives between Grasslands National Park and Prince Albert National Park, representing approximately $400,000 in media coverage with additional coverage to follow. *The Globe & Mail* featured both parks prominently over the course of the summer.

Shows and Marketplaces

Tourism Saskatchewan attends marketplace events on behalf of the industry and in partnership with the industry. During the fiscal year, the Marketing team attended eight consumer shows across Canada and the United States. Contacts were made with 10,606 individuals and 6,969 qualified leads were established. Nineteen industry members partnered with Tourism Saskatchewan at these

events. Overall, close to 3 million visitor impressions were created as a result of the consumer marketplace strategies.

Tourism Saskatchewan, along with seven industry partners, attended the Calgary Stampede with the green screen online photo booth for the second straight year, offering visitors a chance to have their photos taken with one of six backgrounds. More than 1,700 photos were taken, an increase of 59 per cent over the previous year. In addition, more than 53 per cent of the photos retrieved opted in to the Tourism Saskatchewan website for further travel information.

Tourism Saskatchewan participated in three travel trade marketplaces in North America. This resulted in 134 one-on-one appointments with key trade influencers. Four industry partners joined Tourism Saskatchewan at *Rendez-vous Canada* in 2011.

The travel media team attended three marketplaces: Canada Media Marketplace, Travel Media Association of Canada marketplace, and *GoMedia* Marketplace. A total of 113 appointments with domestic, national, and international media representatives took place over the course of these three events. Travel media relations staff also attended the Outdoor Writers of America conference, where key contacts were made with American fishing and hunting media.

Colorado Promotion

Tourism Saskatchewan is continuing its efforts to build awareness in Colorado for Saskatchewan's fish, hunt, and outdoor adventure product, as well as to promote direct air access from Denver to both Regina and Saskatoon.

Tourism Saskatchewan once again attended the International Sportsmen's Exposition in Denver, running the popular photo booth. Over 1,100 photos were taken with the replica trophy-sized walleye or northern pike, an increase of 36 per cent over the previous year. Booth visitors were also presented with a Len Thompson fishing lure (complete with the www.fishsask.com website on the lure), and were entered to win a customized vacation trip to Saskatchewan.

In addition, Tourism Saskatchewan engaged in an inaugural marketing mission focused on travel trade and travel media in Denver and Boulder. The mission included a travel influencer dinner in Denver hosted by Dr. Lynda Haverstock for 15 key business, government, and travel contacts, a reception partnered with the Adventure Travel Trade Association for 35 media and trade in Boulder, and eight one-on-one appointments with the travel trade and eight one-on-one appointments with the media.

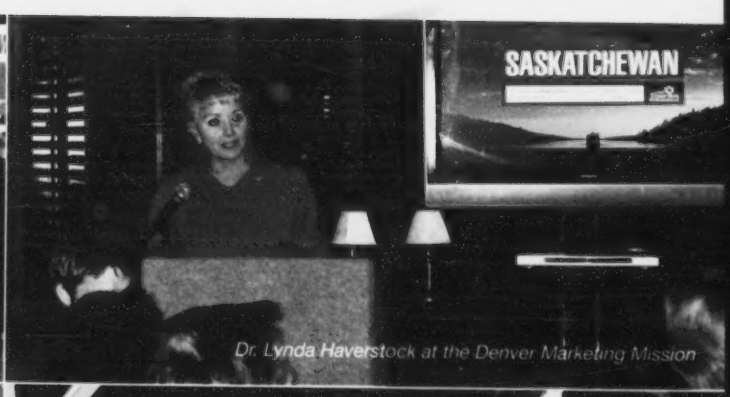
Partners on the mission were Tourism Saskatoon and Regina Regional Opportunities Commission. Results have included a 10-day visit by a representative of *Backpacker Magazine* to northern Saskatchewan, and a visit by a representative from the world's leading outdoor magazine *Field & Stream*. *Field & Stream* editor-at-large Kirk Deeter visited Lake Athabasca to fly fish for northern pike. Saskatchewan coverage has already been posted online and a feature will be in the magazine in spring 2012.

Canada Day in London, 2011

Tourism Saskatchewan partnered with Enterprise Saskatchewan and the Ministry of Tourism, Parks, Culture and Sport at the sixth annual Canada Day in London. Tourism Saskatchewan was a part of the Experience Canada Pavilion, which promotes Canada as a travel destination. Tourism Saskatchewan created a new video that was played on the jumbo screen in Trafalgar Square throughout the day.

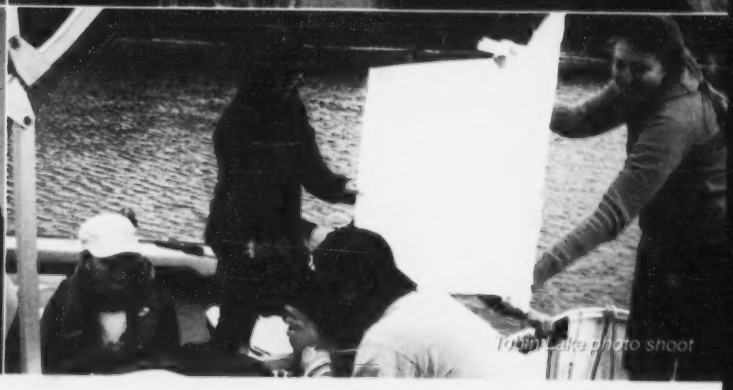
Further Saskatchewan exposure was provided by the highly entertaining Great Plains – A First Nations Dance

International Sportsmen's Exposition, Denver



Dr. Lynda Haverstock at the Denver Marketing Mission

Spring Road Trip - Tommy Douglas Statue, Weyburn


Tobin Lake photo shoot

Company, performing on the main stage during the day. Approximately 78,000 people attended the celebrations. While in London for the event, Tourism Saskatchewan had meetings with travel media and the Canadian Tourism Commission to explore new initiatives working with trade and travel media in the United Kingdom.

Familiarization (FAM) Trips

Tourism Saskatchewan hosted three travel trade familiarization (FAM) trips in 2011, with a total of 12 tour operators from Canada and the United States visiting the province. The National Tour Association (NTA) Product Development FAM, which was held in August, was only the third time that a Canadian destination had been chosen to host. For each FAM, Tourism Saskatchewan worked with up to 16 industry partners, showcasing tourism product as part of the itinerary.

Tourism Saskatoon hosted the Outdoor Writers of Canada annual national convention in June and Tourism Saskatchewan's media publicity program supported eight writers on FAM tours to either Prince Albert National Park and area or Tobin Lake. Coverage has appeared in the *Toronto Star* and its affiliates across Canada and more media coverage is anticipated.

Visitor Services

Visitor services and information are provided to potential visitors in a variety of ways, including telephone, visits to Tourism Saskatchewan's websites, live chat, email inquiries, direct-email responses, and in-person at the five Visitor Reception Centres (VRCs). In 2010-2011, Tourism Saskatchewan provided services to 138,049 actual and potential visitors, a decrease of 1.5 per cent from 2009-2010. This decline was the result of a drop of 3.8 percent in total visits to the VRCs.

The Ministry of Government Services finished renovations at the Fleming VRC in the spring. These renovations, combined with the new parking lot and entry from the highway completed late in the 2010 season, helped boost visits to this VRC this season. There were 24.5 per cent more visitors to the Fleming centre in 2011 than in 2010, leading to the highest visitation level for this VRC in five years.

Tourism Saskatchewan improved the live chat system on its main consumer website. This system allows travel counsellors to be more proactive in directly engaging website visitors in an electronic conversation.

Photography and Imagery

Throughout the 2010-2011 fiscal year, 137 image requests were fulfilled, and an additional 1,489 images were downloaded from the online image library. There were 27 requests for video footage and copies of Tourism Saskatchewan's promotional videos.

Tourism Saskatchewan partnered with the Ministry of Tourism, Parks, Culture and Sport to capture new photography in six provincial parks during the summer. The Marketing team also acquired new photography featuring fishing, RVing, golfing, and houseboating activities in the Nipawin and Tobin Lake area. The team also captured new fishing video at Tobin Lake.

In addition, Marketing supported Eric Lindberg, the Society of American Travel Writers' Photographer of the Year, on his third trip to Saskatchewan. He took photographs in Regina, in partnership with Regina Regional Opportunities Commission, and the southwest part of the province, including the Big Muddy Badlands and Grasslands National Park.

Travel Literature

Tourism Saskatchewan's travel guides are core marketing pieces for the organization and the sector. The *Saskatchewan Discovery Guide*, launched in December 2009, is a comprehensive travel publication filled with information about communities, events, attractions, parks, history, culture, accommodations, campgrounds, suggested itineraries, opportunities for adventure and recreation, and more.

In 2011, the *Saskatchewan Fishing & Hunting Guide* was re-designed to include feature stories and articles on operators, individuals, and topics of keen interest to Canadian and American hunters and anglers. The new design will continue for 2012. *The Perfect Drive: Saskatchewan Golf Vacations* and the *Official Saskatchewan Road Map* complete Tourism Saskatchewan's travel literature series.

As one of Saskatchewan's premier four-season resort destinations, Elk Ridge Resort knows all about the challenges of developing and operating a tourism business in Saskatchewan, from adverse climactic conditions, dramatic occupancy changes due to seasonal changes – the list goes on. To ensure our success, we key in on some simple but important factors: great personal service – learning people's names and greeting them by name; working hard to provide a memorable experience, regardless of season or weather; and building on and offering unique Saskatchewan experiences. People soon forget the weather, travel conditions, and bricks and mortar.

– Brian Simpson, CEO, Elk Ridge Resort

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DEVELOP

One of Tourism Saskatchewan's Ends Policies states that the organization will develop the capacity of Saskatchewan's tourism industry by providing leadership and programs that enhance the tourism industry's capacity to deliver superb visitor experiences with a commitment to sustainable development. In 2010-2011, Tourism Saskatchewan participated in a number of initiatives to achieve this goal.

Quaiity Assurance Program

The 2010-2011 fiscal year marked the second year of work on the Quality Assurance Program (QAP), as outlined in the *Three-Year Business Plan 2009-2012*. Notable accomplishments include the dedication of full-time staff resources to the project, and ongoing support throughout Tourism Saskatchewan (including the reallocation of financial resources to support the project).

The Ministry of Tourism, Parks, Culture and Sport announced additional funding in the Provincial Budget in March. This funding allowed work to progress in a multitude of areas, including development of benefits for accredited businesses, and a pilot process to test and validate the proposed approach for program development.

Fifteen business groups have been identified and prioritized for the development of quality assurance criteria. Each of these groups will have Industry Validation Committees (IVC) that will work through a facilitated process to define quality and identify ways that quality can be evaluated consistently throughout the province.

Each IVC will use the concept of a "Culture of Quality" to define and guide its work. Specifically, the following three steps have been identified for application to the QAP.

- Define quality (through the development and testing of comprehensive criteria based upon industry leadership and direction);
- Evaluate quality (the preparation and sharing of tools and programs to assist operators in planning their quality initiatives); and,
- Recognize quality (the accreditation of operators and the design of business benefits provided by Tourism Saskatchewan).

The Accommodations IVC met in June and again in September. During these two-day meetings, the group created Quality Criteria and an Evaluation Form for the accommodations industry. This process and approach used will be duplicated for other industries.

The President's Quality Assurance Task Team continued to provide leadership and vision for the program design and benefit development. During the two meetings, the Task Team examined possible barriers to program adoption, brainstormed possible approaches and solutions to overcome these obstacles, and created a list for the self-assessed program criteria. The Task Team's Terms of Reference will be extended for one additional year in order to continue work until the first stages of the program are implemented.

Destination Area Planning

Implementation of the Lake Diefenbaker plan continued during 2010-2011. In May, a five-year project to refurbish the marina at Elbow Harbour under private-sector ownership was announced. The Ministry of Tourism, Parks, Culture and Sport awarded a contract to install an armouring system along 330 metres of shoreline at the Elbow Harbour Recreation Site in August. This was the top priority for Elbow Harbour in the Destination Area Plan.

The project to complete the Trans Canada Trail network around Outlook continued with major refurbishment and conversion of the former highway bridge, south of Outlook, to pedestrian traffic. The highway bridge and SkyTrail, the former CPR bridge and longest pedestrian

bridge in Canada, are now connected on the east side of the South Saskatchewan River.

Other highlights from the Lake Diefenbaker Destination Area Plan include: highway construction and improvements to Highways 15, 42, 219, 342, and 4, which were announced in the Provincial Budget in March; the 139-page book *Lake Diefenbaker – Yours to Discover* by Michael and Anna Clancy was released in April; Diefenbaker Destination Developments Inc. was incorporated to manage implementation of the tourism plan, and it has completed a project to create three tours of points of interest – golf courses, campgrounds, and boat launches – that are accessible through GPS devices and smartphones; and approval and construction of highway signage at entry points and within the area remain a priority for 2011-2012.

Significant investments have also taken place in the Cypress Hills Destination Area. A zipline canopy tour and rock climbing wall was developed in Cypress Hills Interprovincial Park under private-sector ownership. Cypress Hills Eco-Adventures opened for business in July.

The Ministry of Tourism, Parks Culture and Sport added a new service centre, electrical service to 118 campsites, and upgraded electrical service in 69 campsites to the park this year. A new observatory complex, including a Dome Observatory, 60-seat yurt classroom, and outdoor telescope platforms, was built in the park. The complex, completed by Cypress Hills Interprovincial Park and the Friends of Cypress Hills, builds on the park's reputation as a Dark-Sky Preserve and one of the very best astronomical viewing sites in North America.

Other highlights from the Cypress Hills Destination Area Plan include: a new attraction – the skeleton of a Tylosaur, a 10-metre-long marine reptile discovered in 1994 on the southern shore of Lake Diefenbaker – was added to Eastend's T.rex Discovery Centre; the town of

Trails of 1885 launch event, Saskatoon

Maple Creek was selected to participate in the *Main Street Saskatchewan* demonstration program; seven packages were developed by area businesses and attractions; and improvements to Highways 4 and 13 were announced in the Provincial Budget in March.

The Prince Albert National Park and Area Destination Area has established a Destination Marketing Organization – Waskesiu Wilderness Region.

Highlights from the Prince Albert National Park and Area Destination Area Plan include: the development of seven packages; public consultation for the proposed new Anglin Lake/Emma Lake Provincial Park; and the announcement of the reconstruction of Highway 263. Other priorities include: development of more shoulder and winter season packages, improvements to the area's highway signage, and continued collaborative marketing to local, regional, and international travellers.

Sage View Golf Course

Significant investments in major recreational trails in the Big River/Nesslin Lake area were made during 2011. Renewal of the province's forestry sector and re-opening of the sawmill, south of Big River, will impact business travel and real estate development in the Delaronde/Cowan Lakes area.

The Trails of 1885 Association Inc. has been created to build upon the momentum and continue the work of bringing the sites and stories of the events of 1885 to life. The project and its management were recognized with two *Saskatchewan Tourism Awards of Excellence*, as well as being named as a finalist for a *Canadian Tourism Award*.

Other highlights include: completion of three self-drive itineraries – Valleys of the Saskatchewan, Battle River Country, and North West Frontier; the expansion of Batoche National Historic Site of Canada; and the announcement of major highway improvements for Highways 11 and 212.

Planning for the new Tobin Lake Tourism Destination Area began in 2011. The area encompasses the land, lakes, and communities in and around Tobin and Codette Lakes and the Carrot River Valley. Completion of the Destination Area Plan is scheduled for fall 2011 and implementation will commence in winter 2012.

Saskatchewan Tourism Labour Market Partnership (STLMP)

Tourism Saskatchewan formed the *Saskatchewan Tourism Labour Market Partnership (STLMP)* in 2003 to identify, plan, and coordinate strategic industry-driven initiatives that contribute to a vibrant and robust tourism workforce in the province. The Saskatchewan Tourism Education Council (STEC) was identified as the lead in coordinating the initiatives necessary to meet the objectives of the *Charting Our Future with the Best People* strategy in 2007. In 2010-2011, the STLMP was transformed into the President's Labour Market Task Team. The Task Team's initial work has begun with the updating of the strategy to meet current and anticipated challenges during the next three to five years.

Industry Training

STEC provided training services and skill development products to 4,109 participants.

STEC presented tourism awareness and service workshops, began work on an online peer mentoring program, and met with tourism industry members to build the business capacity of tourism operators.

In January 2011, Tourism Saskatchewan staff and a private consultant conducted five workshops on Saskatchewan resident markets. There were two sessions, one focused on potential urban visitors and one on potential outdoor visitors from the Saskatchewan market. These workshops were held in Regina,

Saskatoon, and Prince Albert, and were attended by approximately 70 tourism industry members.

emerit Standards and Certification
In 2010-2011, there were 183 individuals registered in *emerit* Professional Certification. A total of 137 completed and obtained nationally recognized *emerit* certification in their occupation. Through STEC's partnership with the Saskatchewan Apprenticeship & Trade Certification Commission, 34 individuals achieved Journeyperson status in the Food and Beverage Person and Guest Services Representative trades.

STEC successfully promoted business sustainability by ensuring that Saskatchewan's tourism sector achieved 100 per cent participation in revising and developing CTHRC *emerit* standards and certification programs.

Ready To Work – Tourism Careers (RTW)
STEC delivers the *Ready to Work – Tourism Careers (RTW)* program, coordinated nationally by the Canadian Tourism Human Resource Council. *RTW* is a career awareness, skills development, and transition-to-employment program that assists individuals in finding long-term, rewarding careers in the tourism sector. In 2010-2011, a total of 394 individuals participated in the program (up 26 per cent over the previous year), with 75 per cent having obtained employment to date. Over the past five years, STEC's *RTW* program has engaged about 500 employers, adding approximately 60 new employers each year.

In addition to enhancing existing partnerships with Saskatchewan Indian Training Assessment Group, Sturgeon Lake Cree Nation, and Kitsaki Development Corporation, STEC established new partnerships with Cowessess First Nation and Cumberland House Cree Nation.

Employer of Choice
The *Employer of Choice* program was launched in Saskatchewan in 2009, recognizing the first four *Employers of Choice* in 2010. In 2010-2011, STEC welcomed five new businesses – including Tourism Saskatchewan – as *Employers of Choice*, bringing the total to nine. The tourism *Employer of Choice* initiative is designed to assist tourism businesses attract and retain the best staff.

Service Best Communities
STEC partnered with Prince Albert Tourism, Prince Albert Chamber of Commerce, Prince Albert Business Improvement District, and North Central Enterprise Region to provide training that would make Prince Albert the first *Service Best* city in Canada. Similarly, the organization began work with the Lake Diefenbaker Tourism Destination Area to help establish a culture of service excellence designed to draw more visitors to the area.

UPSKILL Essentials to Excel
In partnership with Social Research and Demonstration Corporation, STEC introduced *UPSKILL Essentials to Excel*, an innovative pan-Canadian research initiative to assess return on investment in training for frontline staff in the accommodations industry. This initiative is aimed at assessing and planning for skills development. In Saskatchewan, 150 workers (of 1,200-1,500 nationally) at 14 properties (of 88 nationally) are participating, a healthy contribution to this national initiative.

Market Development Strategy
In 2010-2011, STEC began work on a market development strategy to serve operators with a greater range of services tailored to their needs and introduce new operators to the services of the organization.

Professional Recognition Dinners
In June, Professional Recognition Dinners were held in Saskatoon and Regina in honour of individuals achieving

certification in tourism professions. These dinners also recognized Saskatchewan businesses that have demonstrated best practices and a commitment to employee training and development. Two honourees received special recognition for the milestones that their professional certifications represent for tourism in Saskatchewan: the first professional certification awarded, for bartender, in 1994; and the 2,000th awarded, for bartender, in 2011.

Career Fairs/Presentations
In 2010-2011, STEC delivered 13 career awareness presentations in high schools across the province and participated in three career fairs. Career promotion has shifted to engaging employers to create rewarding and enriching experiences for youth exploring opportunities in tourism occupations. Support continues for three high schools that deliver the Canadian Academy of Travel and Tourism (CATT) program: Nutana Collegiate, Mount Royal Collegiate, and Punnichy Community High School. Promotions in 2010-2011 are expected to yield at least three new CATT schools in the coming year.

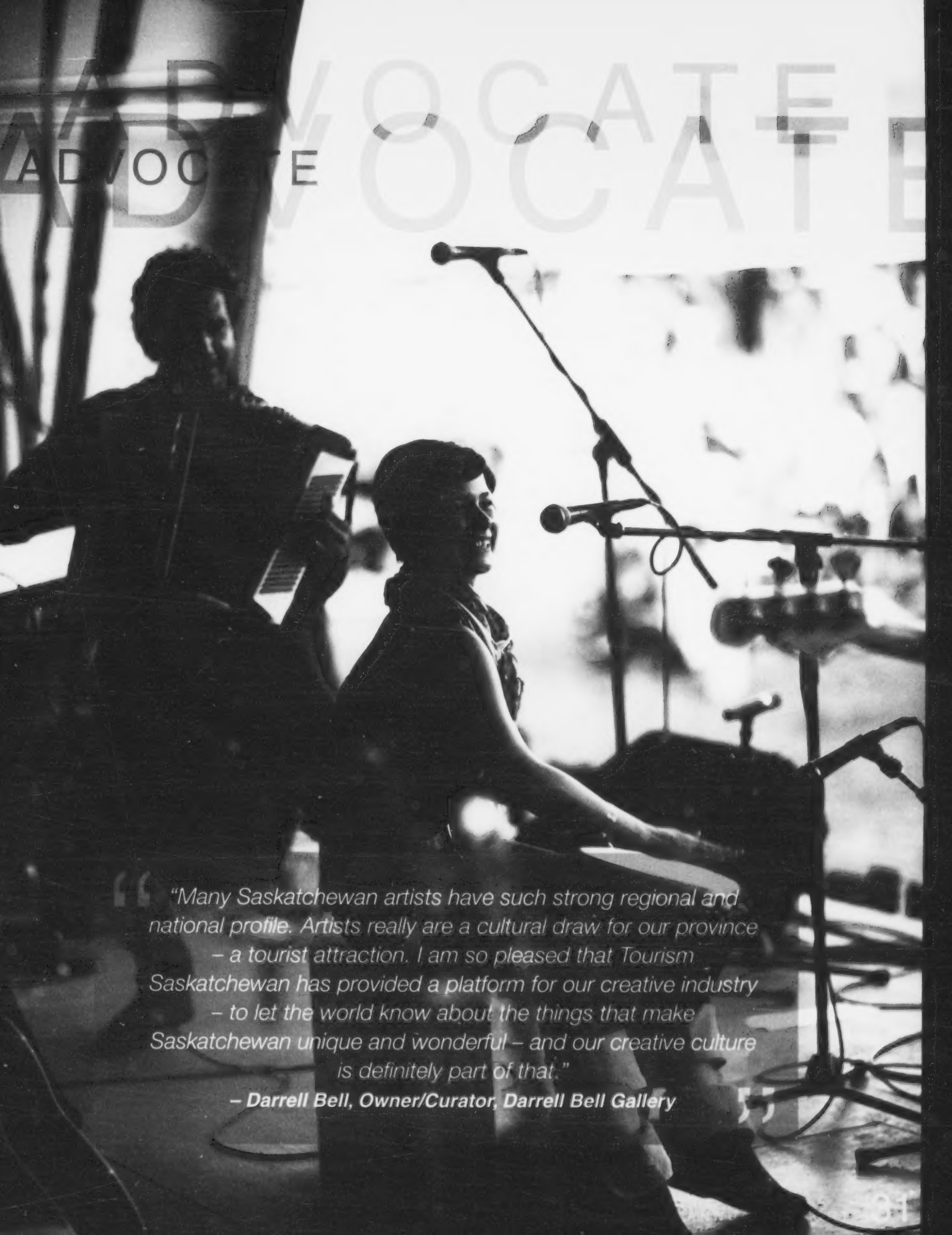
Advisory Services
The new Tourism Business Development and Financing Guide has been completed. It provides an overview of the steps and considerations necessary to evaluate and prepare for the operation of a tourism business venture. It also includes key resources for each step in the development process and a comprehensive list of pertinent government departments, agencies, and funding contacts.

The new Community Tourism Planning Guide has also been completed. It has been prepared to help community leaders direct and focus tourism planning capabilities at the community and district level. It gives communities the necessary tools to review how successful their activities have been in the past, and to identify new partnerships and opportunities for the future.

Itinerary Development
A collection of 16 self-drive itineraries around the province has been completed. Some of the itinerary themes include: Western Adventure, Wellness and Spas, Multicultural Heritage, Artistic Culture, Food and Farming, Cycling, Bird Watching, Spectacular Landscapes, Trails of 1885, North West Mounted Police, Adventure Canoeing on the Clearwater River, and Hiking the Boreal Trail.

Events Saskatchewan
Events Saskatchewan is a partnership between Tourism Saskatchewan, SaskSport, SaskCulture, and the Saskatchewan Parks and Recreation Association. The partnership has opportunities to leverage the strength of individual member organizations in its planning, organizing, and marketing of events.

Industry Communication
Communication with the industry continues through a variety of mediums, including the quarterly printed newsletter, *Going Places*, www.industrymatters.com website, and *Industry Update* and *Here & There* e-newsletters. In all cases, the goal is to provide pertinent information to members in a timely and efficient manner.



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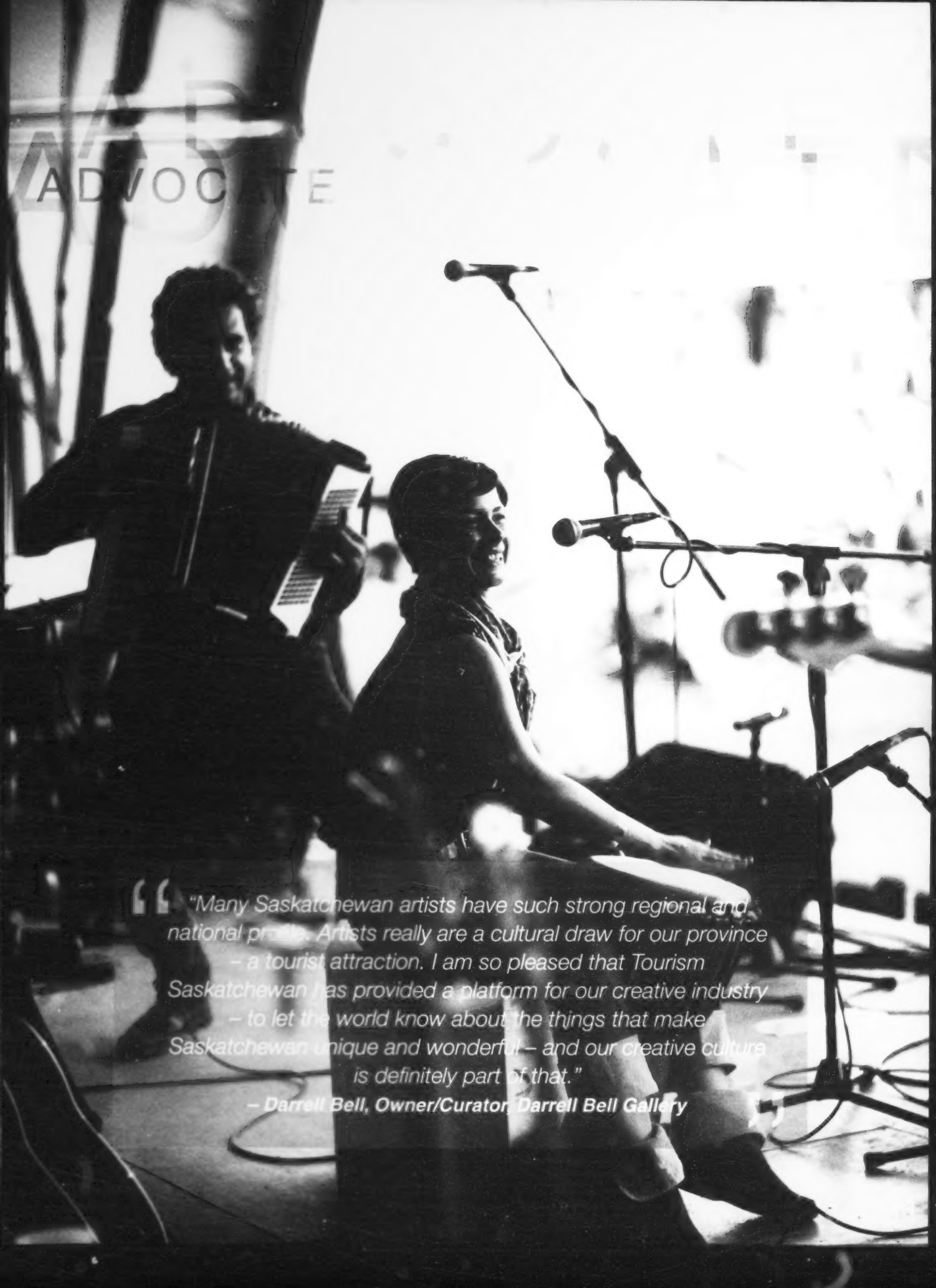

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ADVOCATE

One of Tourism Saskatchewan's Ends Policies states that the organization will advocate on behalf of the tourism industry by championing the concerns of its stakeholders in a manner that builds credibility and delivers results. In 2010-2011, Tourism Saskatchewan embarked on a number of initiatives to achieve this goal.

Tourism Advocacy Day
The first Tourism Advocacy Day at the provincial legislature was held on November 2. Represented by members of the Board of Directors, Senior Management, and President's Task Teams, Tourism Saskatchewan addressed Government and Opposition caucuses, bringing key concerns to elected officials, as well as sharing with them tourism success stories. That afternoon, recognition was paid to Tourism Saskatchewan's delegation in the Legislative Chamber. To end the day, a reception was hosted for Members of the Legislative Assembly and their senior staff.

HOST Saskatchewan Conference
Tourism Saskatchewan and the Saskatchewan Outfitters Association partnered for the fourth annual *HOST Saskatchewan Conference*, held in Saskatoon on April 19-20. In addition to membership meetings, delegates benefitted from workshops and networking sessions during the two-day conference. To gauge their satisfaction and gather feedback, a post-conference online survey was conducted. The results determined that 85.5 per cent of respondents felt that the conference met or exceeded their expectations. They were particularly impressed by guest speaker Roger Brooks, a renowned marketing and branding professional. In addition to his dynamic keynote presentation, Brooks shared valuable "food for thought" during a breakout session.

Discussions between the two host organizations and a review of attendance figures, delegate comments, and member feedback led to a decision to move the 2012 *HOST Saskatchewan Conference* to an autumn timeframe. It will take place in Saskatoon in December 2012. Tourism Saskatchewan will hold its 2011 *Spring General Business Meeting* in Regina, in conjunction with the *Saskatchewan Tourism Awards of Excellence Gala*.

Saskatchewan Tourism Awards of Excellence
The annual *Saskatchewan Tourism Awards of Excellence* pay tribute to individuals and businesses that go "above and beyond" to provide visitors with exceptional service and experiences. At the gala celebration in April, which was held in conjunction with the *HOST Saskatchewan Conference*, the spotlight was on 43 honourees. Two new award categories were added, recognizing excellence in Human Resource Development and Online Marketing. Post-gala, Tourism Saskatchewan nominated 18 of the finalists for *Canadian Tourism Awards*, which are handed out during the Tourism Industry Association of Canada's annual *Tourism Congress*.

Tourism Awareness Week
Tourism Saskatchewan joined forces with other provinces to celebrate *National Tourism Week* from June 5-11. Throughout the week, provincial media promoted awareness of the importance of the sector and its contribution to the provincial economy. The week was launched at an event held at Regina's Government House Museum and Heritage Property. With the historic Ballroom as the backdrop, the occasion included greetings from Dr. Lynda Haverstock and the Honourable Bill Hutchinson, Minister of Tourism, Parks, Culture and Sport, and the launch of the Saskatchewan resident awareness campaign, *Explore Saskatchewan*.

Led by the five rural Regions and two city marketing organizations, the campaign encouraged Saskatchewan residents to explore their province. It combined traditional elements, such as radio and billboards, with a new partnership with the *Regina Leader-Post* and *Saskatoon Star Phoenix* that saw tourism advertorials run throughout June, and an enhanced approach utilizing social and interactive media, including a video series called *Explore Saskatchewan with Scott Schultz*.

The campaign also incorporated the *Explore Saskatchewan Contest*, featuring prizes such as a $5,000 build-your-own Saskatchewan holiday, one of three Saskatchewan vacation packages, electronics (including smartphones and tablets), and watersports gear. A number of other contests were launched during the week,

including Tourism Saskatchewan's 10th annual *Snap It! The Great Saskatchewan Photo Contest*, the *Tourism Awareness Week Contest* on www.sasktourism.com, and a radio trivia contest in which listeners were tested on all things Saskatchewan.

Throughout *Tourism Awareness Week*, there were more than 40 events held in communities across the province. Media coverage before, during, and after the week was impressive, with representatives from the tourism regions, Tourism Saskatchewan, and other tourism industry ambassadors appearing in radio, TV, and print media.

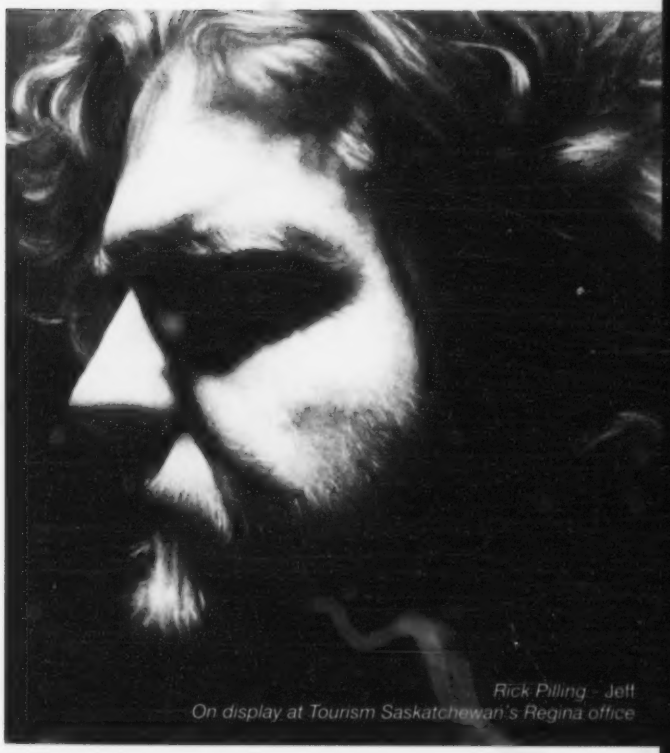
Advocacy Issues

For years, many sector businesses have expressed their desire for a post-Labour Day start to the school year in Saskatchewan. This was reinforced in the results of a survey conducted by Tourism Saskatchewan in November. The survey had a significant response rate of 18 per cent, with 60 per cent indicating that their businesses suffer from the practice of school starting before Labour Day. The two most common concerns expressed were "lost revenue" and "difficulty in keeping staff."

Tourism Saskatchewan shared the findings with the Ministry of Education, and with every school division and board in the province. As well, several meetings with key officials occurred. Discussion of the issue at various school division meetings prompted media attention. When students returned to school in August, the issue made headlines once again. Tourism Saskatchewan was provided an opportunity to share the sector's concerns. As well, media highlighted legislation in Manitoba and the revenue increases as a result of classes resuming after Labour Day.

Fostering Partnerships

Tourism Saskatchewan's Executive Office facilitated and participated in more than 200 meetings with government partners, key stakeholders, and industry representatives. These meetings brought to the attention of leaders and officials key sector challenges, along with tourism successes. They provided opportunities for thoughtful discourse, and encouraged greater understanding of Tourism Saskatchewan's demanding mandate and of the work performed by the organization.



Rick Pilling - Jett
On display at Tourism Saskatchewan's Regina office

Fostering relationships resulted in collaboration on a number of projects, as well as support of Tourism Saskatchewan initiatives. Partnerships with the Ministry of Tourism, Parks, Culture and Sport and Enterprise Saskatchewan assisted with the outstanding showcase of Saskatchewan talent at *Prairie Scene* in Ottawa, and were key to Saskatchewan's presence at the Canada Day celebration in London, England and at the Pacific North West Economic Region conference in Portland, Oregon. Both Ministries, along with the Ministry of Advanced Education, Employment, and Immigration were generous supporters of the *HOST Saskatchewan Conference*.

Cultural Partnership
In 2010, Tourism Saskatchewan and the Saskatchewan Professional Art Galleries Association, now rebranded as SaskArt, embraced a cultural partnership that showcases the work of Saskatchewan artists. Tourism Saskatchewan's Regina Office doubles as a gallery space for an exhibition, curated by artist/gallery owner Darrell Bell, that features works by established and emerging artists. In addition to the selections on loan from several SaskArt members, pieces from the Saskatchewan Arts Board permanent collection and Traditions Handcraft Gallery are also on display. The exhibition has attracted new visitors to Tourism Saskatchewan's Regina location and directed business to the participating SaskArt galleries and the artists represented. Tourism Saskatchewan and SaskArt continue to build on their partnership, with projects for broader marketing and promotional activities under consideration.

President/CEO Public Profile
President/CEO Dr. Lynda Haverstock is in high demand as a public speaker. She uses her profile to broaden awareness about the important contributions tourism makes to the economy and to the quality of life in Saskatchewan. In 2010-2011, Dr. Haverstock delivered more than 60 public addresses and messages to a diverse range of audiences, from community groups to academic forums to VIP events hosting dignitaries and international guests. In every instance, information is communicated about Saskatchewan's exceptional tourism offerings. In her statements to local/provincial audiences, she stresses the importance of building a "Culture of Quality," encouraging resident pride, and embracing the responsibility of being our province's most enthusiastic cheerleaders.

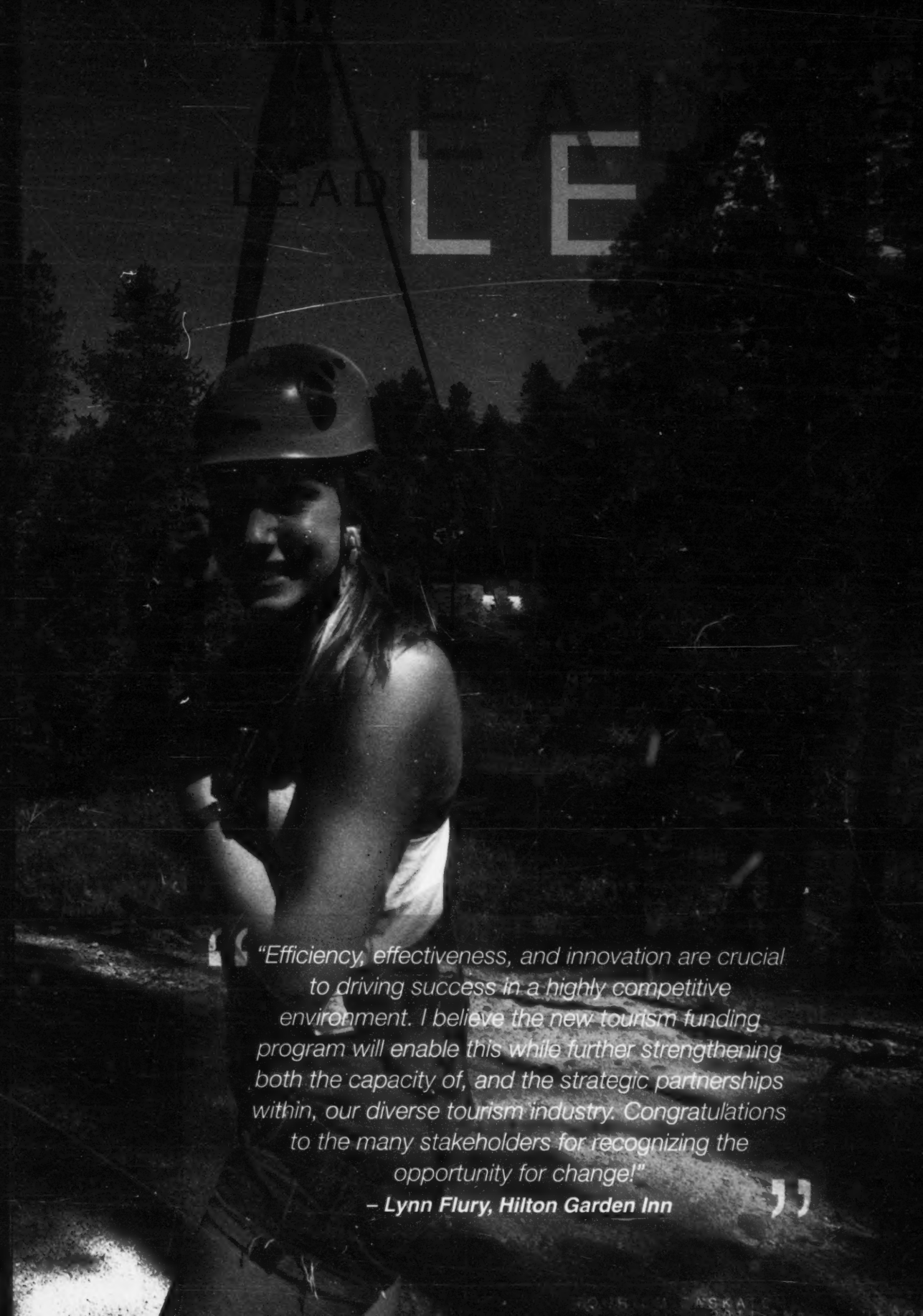
Dr. Haverstock's participation on a number of boards and committees heightens the profile of Tourism Saskatchewan and the sector. Her commitments range from hosting the President's Task Teams to involvement on committees, such as the Tourism Alliance of Western Canada and acting as an advisor to the President of the Saskatchewan Indian Institute of Technologies (SIIT). Preceding and during 2011, she embraced multiple roles involving arts and cultural initiatives. These included participating on the Advisory Council for National Arts Centre's impressive *Prairie Scene* and representing Saskatchewan during the showcase in April, and serving as Honourary Ambassador for Swift Current's historic Lyric Theatre in its efforts to raise funds for renovations and to ensure the future of this landmark building.

Rural Highway Advisory Committee/Other Government Committees
Through its work on the Ministry of Highways and Infrastructure's Rural Highway Advisory Committee, Tourism Saskatchewan participates in the evaluation and ranking of highway construction priorities. This has led to the engagement of numerous tourism stakeholders in the process, as well as the prioritization of highway projects that will benefit Saskatchewan's tourism sector.

A new initiative for 2011 was the announcement of the Tourism and Community Access Roads Program. The development of access roads was announced for the following communities: Wakaw Lake Regional Park, the town of Laird, and Anglin Lake, location of the proposed new Anglin/Emma Lakes Provincial Park.

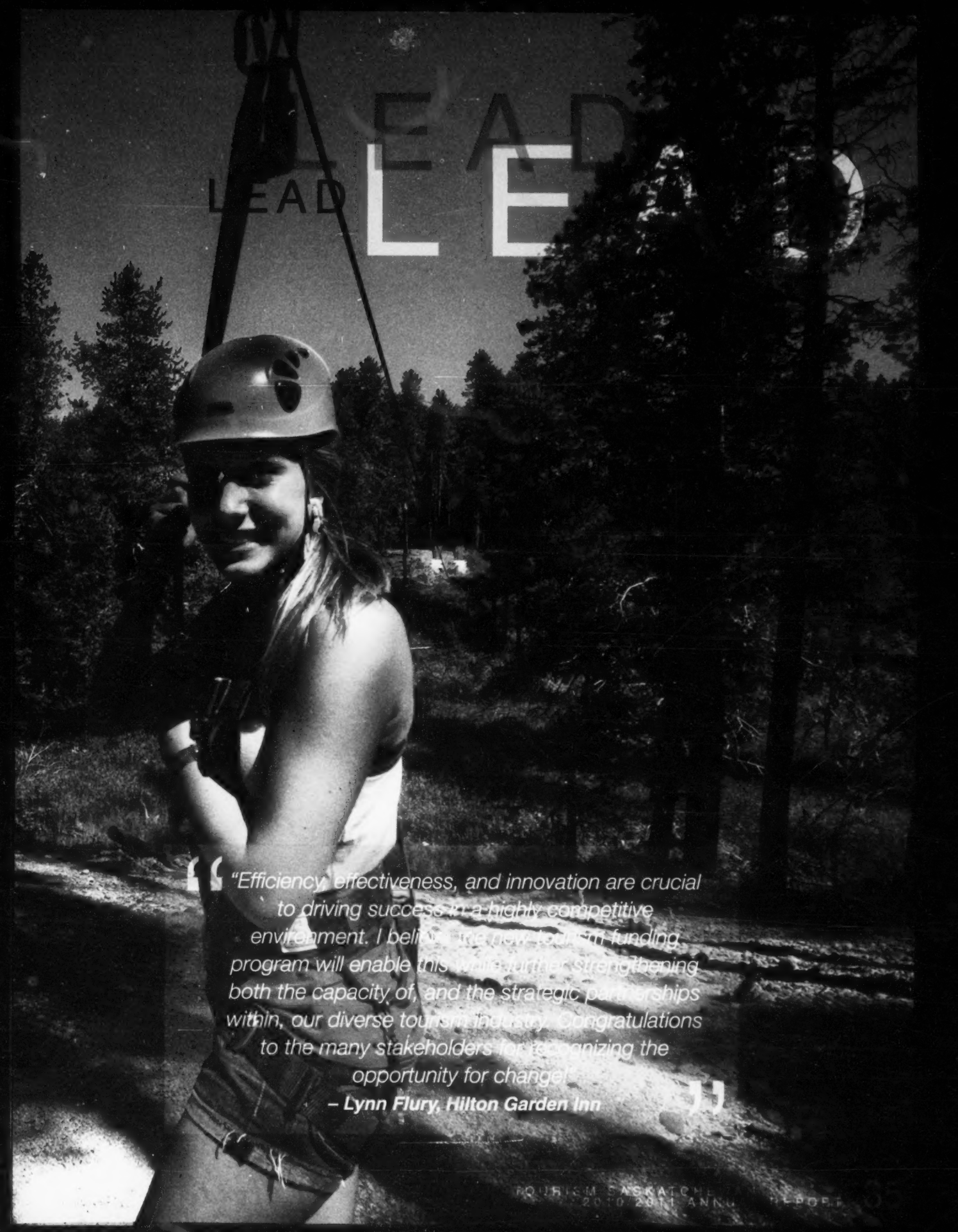
Tourism Saskatchewan also represents the tourism sector on the Minister's Wildlife Policy and Fisheries Policy Advisory Committees, and has taken part in a number of Crown land use planning processes.

Constituency Reports
Constituency Reports were sent to all 58 Saskatchewan Members of the Legislative Assembly in May. These reports provided an overview of the benefits of tourism in each constituency. They included information on traveller expenditures, tourism-related employment, as well as tourism businesses and events operating within each constituency.



"Efficiency, effectiveness, and innovation are crucial to driving success in a highly competitive environment. I believe the new tourism funding program will enable this while further strengthening both the capacity of, and the strategic partnerships within, our diverse tourism industry. Congratulations to the many stakeholders for recognizing the opportunity for change!"

– Lynn Flury, Hilton Garden Inn



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LEAD

One of Tourism Saskatchewan's Ends Policies states that the organization will lead through corporate stewardship by maintaining internal and external support structures that ensure financial stewardship, a healthy corporate environment, and positive relationships. In 2010-2011, Tourism Saskatchewan embarked on a number of initiatives to achieve this goal.

Three-Year Business Plan 2009-2012

Tourism Saskatchewan's Three-Year Business Plan was the result of an intensive strategic planning process in 2008. Taken into account were current challenges, as well as opportunities for advancement of the sector that would lead to economic growth. Corporate goals were aligned with the organization's Ends Policies: Promote, Develop, Advocate, and Lead. They set the broad direction for operational activities, with overall objectives of growing capacity with the sector, increasing the profile of the province as a tourism destination, and providing the required educational support and tools required.

The Three-Year goals are as follows:

1. Defined provincial brand for tourism;
2. Three recognized destination areas with a strong product/market match;
3. Implementation of a Quality Assurance Program;
4. Strengthen the industry though collaboration with partners;
5. Build impressive gateways;
6. Encourage sustainable practices; and
7. Double Tourism Saskatchewan's 2008-2009 budget.

Corporate Reorganization

During the past two years, several adjustments in Tourism Saskatchewan's management structure have occurred in response to sector growth, changing consumer trends, and to align with the goals set out in the organization's *Three-Year Business Plan 2009-2012*.

In spring 2010, Candace Phelps assumed an enhanced role as Vice-President to focus on strategic planning. Jonathan Potts moved from his position as Director of Industry Development to Director of Marketing. In July, Ian McGilp was named Director of Industry Development.

Early in the 2010-2011 fiscal year, a decision was made to merge the Communications Branch, formerly Industry Relations, with the Marketing Department. Given that a key part of the work, such as the travel literature series, is tied closely to marketing and promotional activities, the move has resulted in efficiencies on several levels. Membership responsibilities were assigned to the Industry Development Department, and event planning was moved to Executive Office.

Another change was the creation of a new department comprising the Online Marketing and Information Technology group, previously in the Marketing Department. Grant McDonald leads this department as Director of eBusiness and Technology.

To remain "on track" with the goals for a province-wide Quality Assurance Program, it was necessary to dedicate staff resources to this project. Tracy Breher assumed the responsibilities of Program Director for Quality Assurance, working out of the Saskatoon office, alongside STEC and Industry Development colleagues. The Government of Saskatchewan's generous investment in the initiative has allowed for additional staff members to assist with managing the work.

In May 2011, Tourism Saskatchewan welcomed Veronica Gelowitz as its new Chief Financial Officer. The results at year end are evidence of an adept team managing the organization's finances.

Tourism Funding Program Review

In 2010, an agreement was reached to provide a one-year extension to the Memorandum of Agreement (MOA) between Tourism Saskatchewan, the five rural Regions, and city marketing organizations (CMOs) in Saskatoon and Regina. The MOA defined the relationship between these parties and outlined the terms for the funding to the Regions and CMOs. At a meeting of the Regional Chairs in April 2011, they clearly expressed their desire for a more efficient, responsive funding model – one that would improve the "bottom line" for operators and attractions.

With only six months until the MOA expired, Tourism Saskatchewan's Board of Directors took immediate action and appointed a Tourism Program Funding Review (TPFR) Committee, comprising a cross-section of industry representatives, along with several Board members. Its work involved consulting with the industry, through a series of public meetings, as well as an online survey. The information gathered provided the basis for an official report, with recommendations, that was submitted to the Board of Directors in July. The document outlined areas where there was an expressed need for change and improvement. It highlighted the collective response from the industry to centralize administration of the regional program in an effort to free up additional dollars for marketing. Also made clear was the importance of maintaining strong grassroots connections. A local point of contact in each geographic region was stated as a priority.

With minor amendments, the Board approved the TPFR Committee's report and assembled a Transition Advisory Team (TAT). In addition to representatives of Tourism Saskatchewan's Board of Directors, members of this committee were recruited from the Regions, CMOs, and industry. As well, there is a delegate participating on behalf of the Destination Marketing Organizations (DMOs). The Transition Advisory Team will be in place for a minimum of one year to provide advice and guidance to Tourism Saskatchewan during the crossover from conducting business under the MOA to the new model.

Northern Saskatchewan

Following the first TAT meeting on September 30, a concentrated effort became necessary to ensure a smooth flow of business with minimal interruption of critical programs and services. Under the new structure, which sees a centralized approach to administration and marketing functions, Tourism Saskatchewan has undertaken hiring five field staff to be the direct point of contact with operators and businesses throughout the province and maintain strong grassroots connections. These positions will be situated outside of Regina and Saskatoon, in locations that are conducive to building upon solid relationships that have been established.

Dr. Lynda Haverstock accepting Employer of Choice award

One of several priority issues, membership has and will continue to be addressed with thoughtful consideration to ensure that communication with members is clear, informative, and up-to-date and that benefits are fulfilled. Field staff will play key roles as liaisons with Tourism Saskatchewan members.

Technological Change

Tourism Saskatchewan recognizes that the pace of technological change has never been quicker and the rate of consumer adoption has never been higher. Major changes in social computing, mobile computing, data and analytics, video, and unified communications are addressed by developing projects and capabilities that align these emerging technologies with the organization's business goals.

Tourism Saskatchewan has introduced new and innovative marketing techniques to ensure that its message is present on the expansive social media and mobile platforms. By integrating its Tourism Industry Database within its Customer Relationship Management system, all Tourism Saskatchewan staff have ready access to the most relevant and accurate industry information. Tourism Saskatchewan also implemented the first phase of a new Unified Communication Project that provides staff with a tool that unites voice communications, instant messaging, and audio, video, and web conferencing. This technology can transform any conversation to include high-resolution video, application and desktop sharing, and allows staff to connect from virtually anywhere.

Employer of Choice

Tourism Saskatchewan strives to be a leader in human resource development. The *Employer of Choice* designation was earned by Tourism Saskatchewan, recognizing excellence in human resource practices. Comprehensive employee benefit plans provide peace of mind and encourage work/life balance. An innovative retirement planning seminar was piloted with the Public Employees' Pension Plan and Tourism Saskatchewan that focused on younger employees.

Community Outreach

Community outreach was demonstrated through sponsorship activities and support of 155 events, workshops, fundraising activities, and initiatives undertaken by cultural, heritage, and sports organizations. Tourism Saskatchewan was a proud partner of the Year of India in Canada and was pleased to participate in and promote festivities. The annual United Way campaign was, once again, embraced by staff, who raised $6,800.

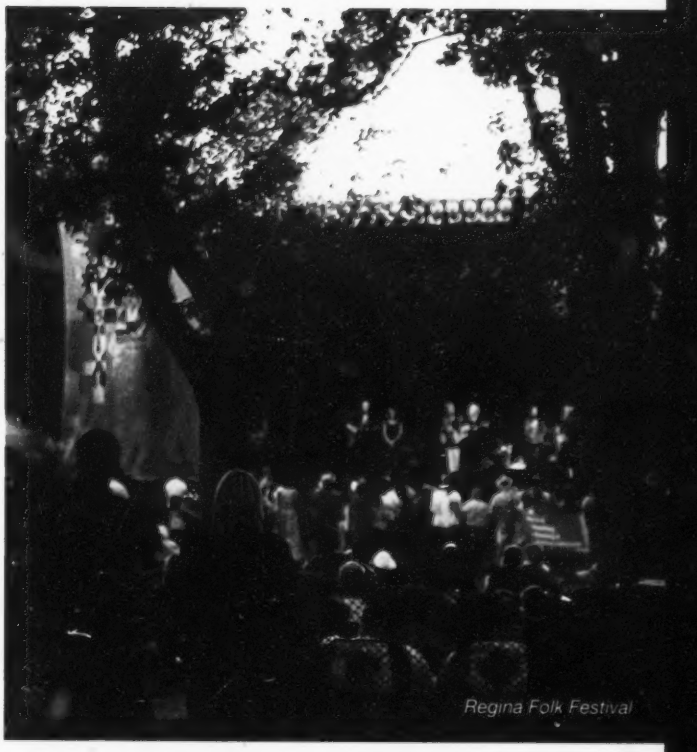
PRESIDENT'S TASK TEAMS

The President's Task Teams were formed in response to Saskatchewan's first *Summit on Tourism* in 2007, during which delegates identified a number of barriers to overcome in order to advance the tourism sector from *Good to GREAT*. Four Task Teams were assembled to address the following issues: quality assurance, resources, product development and infrastructure, and resident pride. A fifth, one dedicated to cultural tourism, would build upon the work of a previous committee, the Cultural Tourism Tactical Team. Over 50 business/industry leaders and influential "ambassadors" of the province were recruited to share their expertise, and provide guidance on specific challenges.

The Task Teams began their three-year mandate in 2009. From the beginning, the value of these committees was evident. There has been progress on several fronts, particularly in the area of quality assurance. The commitment of Task Team members to "raising the bar" on service levels and improving Saskatchewan's image has moved work on this critical matter ahead of schedule.

A decision was made to extend the mandate of this committee for an additional year to assist with the first stage of implementation of the province-wide Quality Assurance Program for the tourism sector. Likewise, members of the Resource and Funding Task Team committed to another one-year cycle to fulfill several objectives.

A Terms of Reference were developed for a sixth committee, and the new Tourism Labour Market Task Team met for the first time in September 2011. This group consists of experienced leaders in tourism human resources from across Saskatchewan, as well as representing national bodies.



Regina Folk Festival

Although the mandates of the Cultural Tourism and Provincial Image Task Teams reached their conclusion, members remain in close contact to Tourism Saskatchewan and expressed their willingness to continue to contribute advice. Several members of the Cultural Tourism Task Team proceeded to participate in a broader committee of representatives from arts, cultural, and heritage organizations to examine cultural tourism issues and respond collectively to the Government of Saskatchewan's Cultural Policy.

Several Task Team members were a part of Tourism Saskatchewan's delegation that raised industry challenges, as well as success stories, with elected leaders at the first Tourism Advocacy Day at the provincial legislature in November 2010.

President's Cultural Tourism Task Team
Recognizing that the heart and soul of a place is defined by its arts, culture, and heritage, this Task Team captures the essence of the province's cultural character for tourism development and marketing. It identifies opportunities for collaborative work and provide strategic recommendations for future tourism initiatives.

President's Tourism Labour Market Task Team
Lasting impressions, good or bad, are created by the people who work in the frontline of the tourism sector. The success of any business is dependent upon the talents of its people. Tourism businesses require the best individuals to ensure a viable industry and to maximize their significant investments. Saskatchewan is facing a labour shortage that undermines the tourism sector's ability to compete. Tourism must be able to recruit, train, and retain a vibrant workforce in a highly competitive environment. This Task Team builds upon the achievements of the Tourism Labour Market Partnership (TLMP).

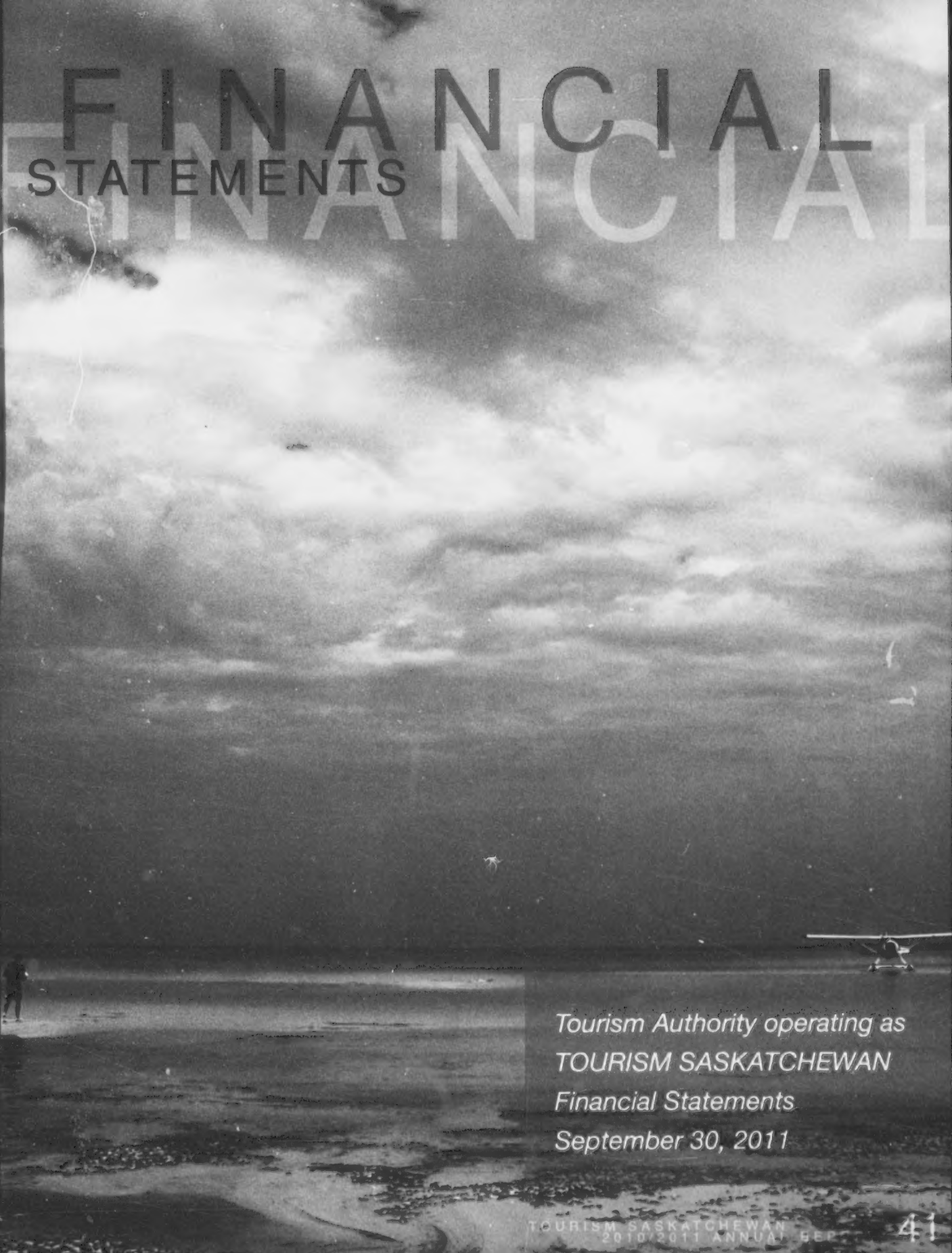
President's Quality Assurance Task Team
There is only one chance to make a good first impression. The success of Saskatchewan's tourism industry is contingent upon meeting or exceeding visitor expectations. This Task Team provides Tourism Saskatchewan with insights and strategic advice to inform the creation of a comprehensive, effective, and achievable Quality Assurance Program.

President's Product Development and Infrastructure Task Team
Tourism Saskatchewan is committed to being the driving force in the development of the province as a competitive, investment-ready, and marketable destination. We endeavour to achieve this by providing leadership, facilitation, and coordination in a number of key areas, including product development, infrastructure, policy, and overcoming barriers to development. This Task Team provides strategic direction that will allow Tourism Saskatchewan to facilitate the creation of an environment that supports the development of world-class product and infrastructure.

President's Resource and Funding Task Team
Tourism is one of Saskatchewan's most important economic drivers. The tourism sector is facing increasing competition. Funding challenges undermine Tourism Saskatchewan's ability to enable the tourism sector to capitalize on opportunities and compete effectively. This Task Team assists Tourism Saskatchewan in exploring method(s) to increase existing, sources of funding while securing further reliable and steady funding sources for marketing, development, training, and communications.

President's Provincial Image Task Team
Recognizing that Saskatchewan is at a pivotal point in its history, there is an opportunity to capitalize on the sense of optimism about and within the province. This Task Team provides strategic advice to Tourism Saskatchewan in its efforts to take advantage of these new realities and project an image of Saskatchewan as a world-class tourism destination.

FINANCIAL STATEMENTS



Tourism Authority operating as
TOURISM SASKATCHEWAN
Financial Statements
September 30, 2011

MANAGEMENT'S RESPONSIBILITY

To the Members of Tourism Saskatchewan:

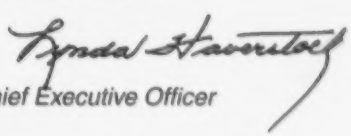
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Authority. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for recommending approval to the Members of the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Authority's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

November 8, 2011



Chief Executive Officer

AUDITORS' REPORT

To the Members of Tourism Authority o/a Tourism Saskatchewan:

We have audited the accompanying financial statements of Tourism Saskatchewan, which comprise the statement of financial position as at September 30, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tourism Saskatchewan as at September 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan

November 8, 2011

MNP LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2011

	2011	2010
ASSETS		
CURRENT		
Cash (Note 4)	**$1,648,608**	$720,919
Accounts receivable	**486,883**	715,273
GST receivable (Note 5)	**28,964**	224,948
Inventory	**8,406**	11,685
Prepaid expenses	**91,373**	57,498
	2,264,234	1,730,323
LONG TERM		
Capital assets (Note 6)	**1,581,681**	2,131,570
	$3,845,915	$3,861,893
LIABILITIES and NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	**$1,352,764**	$1,165,763
Current portion of the leasehold loan (Note 8)	**-**	81,250
Unearned revenue	**40,546**	19,400
Deferred contributions related to capital assets (Note 9)	**-**	143,334
Deferred grant contribution (Note 9)	**-**	288,125
	1,393,310	1,697,872
LONG TERM DEBT		
Long term portion of the leasehold loan (Note 8)	**-**	561,979
	1,393,310	2,259,851
NET ASSETS		
Invested in capital assets	**1,581,681**	1,345,007
Internal restrictions: (Note 10)		
Partnership Marketing Fund	**213,407**	102,744
President's Marketing Advisory Fund	**41,470**	78,521
Education and Training Fund	**120,924**	8,606
Initiatives Fund	**245,123**	-
Unrestricted	**250,000**	67,164
	2,452,605	1,602,042
	$3,845,915	$3,861,893

Commitments (Note 11)
See accompanying notes to financial statements.

APPROVED BY THE BOARD:

Director _____ Director _____

STATEMENT OF OPERATIONS

YEAR ENDED SEPTEMBER 30, 2011

	2011	2010
REVENUE		
Provincial operating grant	**$11,903,899**	$11,803,900
Other grants and contributions	**358,125**	250,000
Education and training	**1,980,803**	2,620,107
Partnership	**256,568**	167,824
Advertising	**262,795**	276,976
Retail sales	**131,827**	201,388
Listings	**118,633**	124,415
Membership	**36,705**	43,690
Interest and other	**24,815**	7,828
	15,074,170	15,496,128
EXPENSES		
Administration (Schedule 1)	**1,751,487**	2,207,868
Education and training (Schedule 2)	**2,696,342**	3,067,035
Marketing and advertising (Schedule 3)	**7,780,189**	7,843,244
Membership and visitor services (Schedule 4)	**1,820,496**	1,857,729
Cost of retail sales	**17,881**	16,138
Board and committees	**52,364**	41,066
Education and Training Fund (Schedule 3)	**8,606**	435,863
President's Marketing Advisory (Schedule 3)	**60,417**	76,904
Partnership Marketing (Schedule 3)	**35,825**	75,847
	14,223,607	15,621,694
EXCESS (DEFICIENCY) OF REVENUE	**$850,563**	$(125,566)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED SEPTEMBER 30, 2011

	Invested in Capital Assets	Internally Restricted for Partnership Marketing	Internally Restricted for President's Marketing Advisory	Internally Restricted for Education and Training	Internally Restricted for Initiatives	Unrestricted Operations	Total 2011	Total 2010
BALANCE, BEGINNING OF YEAR	**$1,345,007**	**$102,744**	**$78,521**	**$8,606**	**-**	**$67,164**	**$1,602,042**	$1,727,608
Excess (deficiency) of revenue	**(678,524)** [1]	**(35,825)**	**(60,417)**	**(8,606)**	**-**	**1,633,935**	**850,563**	(125,566)
Purchase of capital assets	**271,969**	**-**	**-**	**-**	**-**	**(271,969)**	**-**	-
Repayment of capital asset loan (Note 8)	**643,229**	**-**	**-**	**-**	**-**	**(643,229)**	**-**	-
Interfund transfers (Note 10)	**-**	**146,488**	**23,366**	**120,924**	**245,123**	**(535,901)**	**-**	-
NET ASSETS, ENDING	**$1,581,681**	**$213,407**	**$41,470**	**$120,924**	**245,123**	**$250,000**	**$2,452,605**	$1,602,042

See accompanying notes to financial statements.

[1] Consists of:

Amortization expense	**$821,858**
Amortization of deferred contributions related to capital assets (Note 8)	**(143,334)**
Decrease in net assets invested in capital assets	**$678,524**

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2011

	2011	2010
OPERATING ACTIVITIES		
Excess (deficiency) of revenue	**$850,563**	$(125,566)
Add (deduct) items not requiring cash:		
Amortization of capital assets	**821,858**	759,415
Amortization of deferred contributions related to capital assets (Note 9)	**(143,334)**	(143,334)
	1,529,087	490,515
Net change in non-cash working capital working items (Note 12)	**313,800**	(802,431)
Net cash generated (used) from operating activities	**1,842,887**	(311,916)
INVESTING ACTIVITIES		
Purchase of capital assets	**(271,969)**	(1,456,414)
Net cash (used) in investing activities	**(271,969)**	(1,456,414)
FINANCING ACTIVITIES		
Proceeds of leasehold loan (Note 8)	**-**	650,000
Repayment of leasehold loan (Note 8)	**(643,229)**	(6,771)
Net cash (used) generated from financing activities	**(643,229)**	643,229
Net increase (decrease) in cash	**927,689**	(1,125,101)
Cash, beginning of year	**720,919**	1,846,020
Cash, end of year	**$1,648,608**	$720,919

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2011

1. DESCRIPTION OF BUSINESS

The Tourism Authority (the "Authority"), operating as Tourism Saskatchewan, was incorporated as a non-profit organization under the *Tourism Authority Act* and commenced operations on October 1, 1994. The Authority was formed to promote and develop tourism in Saskatchewan on behalf of the tourism industry and the Government of Saskatchewan.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles:

a) Revenue Recognition

The Authority follows the deferral method of accounting for grant contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured, and the expenses relating to the contribution are incurred.

Revenue received by the Authority in advance of the actual performance of services is deferred and is recorded as unearned revenue.

Partnership, Advertising, Listing, and Membership revenue is recognized as earned. Funds received for services that relate to the future, are deferred and recognized as revenue when earned.

Interest is recognized as earned.

Retail sales are recognized as revenue on the date of sale.

b) Cash

Cash comprises monies on deposit and is recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

c) Inventory

Inventory is valued at the lower of cost and net realizable value.

d) Capital Assets

Capital assets are recorded at cost and are amortized over their estimated useful lives. Amortization expense is calculated using the straight-line method at the following annual rates:

Photo library	10% to 20%
Furniture and equipment	10% to 20%
Computer equipment and systems	25% to 33%
Leasehold improvements	10%
Signs and displays	20%
Video and video footage	33%

e) Income Taxes

The Authority is incorporated as a non-profit organization and is exempt from income taxes under paragraph 149(1)(l) of the *Income Tax Act*.

f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. Accounts receivable are stated after evaluation as to the collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the asset. These estimates and

assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

g) Financial Instruments

The Authority has classified cash, accounts receivable, and accounts payable and accrued liabilities as financial instruments held for trading. Held for trading financial assets and liabilities are financial instruments that are acquired or incurred principally for the purpose of selling or repurchasing the instrument in the near term. These instruments are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Held for trading financial instruments are carried at fair value with both realized and unrealized gains and losses included in net income. Initial cost approximates fair value due to the short-term nature of the instruments.

Long-term debt is classified as other liabilities and is measured at amortized cost using the effective interest rate method.

Transactions to purchase or sell these items are recorded on the trade date. Transaction costs related to held for trading financial instruments are expensed as incurred.

The Authority assesses impairment of all its financial assets. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year earnings.

h) Future Accounting Pronouncements

In October 2010, the Accounting Standards Board (AcSB) approved the accounting standards for private sector not-for-profit organizations (NFPOs) to be included in Part III of the CICA Handbook-Accounting ("Handbook"). Part III will comprise:

Elk Ridge Resor

- The existing "4400 series" of standards dealing with the unique circumstances of NFPOs, currently in Part V of the Handbook; and
- The new accounting standards for private enterprises in Part II of the Handbook, to the extent that they would apply to NFPOs.

Effective for fiscal years beginning on or after January 1, 2012, private sector NFPOs will have the option to adopt either Part III of the Handbook or International Financial Reporting Standards (IFRS). Earlier adoption is permitted. The Authority expects to adopt Part III of the Handbook as its new financial reporting standards. The Authority has not yet determined the impact of the adoption of Part III of the Handbook on September 30, 2013 financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2011

3. FINANCIAL INSTRUMENTS

Tourism Saskatchewan as part of its operations carries a number of financial instruments which by their nature are subject to risks.

a) Credit Risk

The Authority is exposed to credit risk in respect to accounts receivable in the event that the customer cannot meet its obligations. The accounts receivable are presented on the balance sheet net of the allowance for bad debts. Credit risk is managed with regular credit assessments and an allowance is maintained and reviewed for potentially uncollectible accounts.

b) Fair Value

The carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

c) Interest Rate Risk

The Authority has cash balances and therefore is not exposed to significant interest rate risk.

4. CASH

The Authority has access to the following operating line of credit, repayable on demand with interest paid monthly at the TD Bank prime rate. As of September 30, 2011, the Authority has not drawn on the operating line.

Base operating limit	$500,000

5. GST RECEIVABLE

The Authority claims goods and services input tax credits based upon its level of staff time devoted to generating GST taxable supplies. For the year ended September 30, 2011, the applicable rate was 70% overall. Purchases of goods for resale are eligible for 100% input tax credits.

GST receivable is net of any GST payable.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2011	2
Photo library	$785,627	$699,895	$85,732	$134,
Furniture and equipment	499,001	463,141	35,860	29,
Computer equipment and systems	1,152,432	908,614	243,818	210,
Leasehold improvements	1,766,723	735,115	1,031,608	1,159,
Signs and displays	139,204	133,380	5,824	10,
Video and vidoo footage	1,679,666	1,500,827	178,839	587,
	$6,022,653	$4,440,972	$1,581,681	$2,131,

7. CONTINGENT LIABILITY

There is an arbitration in progress regarding a grievance from a past employee. As arbitration is subject to many uncertainties, in the opinion of the Authority, potential liabilities that may result from these legal actions have been adequately provided for and are not expected to have a material adverse effect on the Authority's financial position.

8. LONG-TERM DEBT

A leasehold loan was funded in the amount of $650,000 on July 29, 2010 at a fixed rate of 5.55% per annum for a rate term expiring August 15, 2015. During the year, this loan was repaid in full.

9. DEFERRED CONTRIBUTIONS

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent contributions received for the purpose of purchasing capital assets.

During the year, no contributions (2010 - $nil) related to the purchase of capital assets have been deferred. Contributions from previous years will be recognized as income on the same basis as the related capital assets are amortized. During the year, $143,334 (2010 - $143,334) of these deferred contributions have been recognized as income.

Deferred Grant Contribution

Deferred grant contribution represents the accelerated receipt of an operating grant payment from Industry and Resources. Pursuant to the $7,040,000 annual funding agreement, the payment schedule was revised during the 1998/99 fiscal year. The transition to the revised payment schedule resulted in an accelerated payment of $288,125 being received before the Authority's 1998/99 fiscal year end. During the year, $288,125 (2010 - $nil) has been recognized as revenue as conditions for the grant have been removed.

10. INTERNALLY RESTRICTED NET ASSETS

The Authority is funded by the Government of Saskatchewan through the Ministry of Tourism, Parks, Culture and Sport. As per the funding agreement, the maximum amount of funds that can be accumulated in net restricted assets excluding the education and training reserve is $500,000 and the net restricted assets for the education and training reserve cannot exceed $400,000. Any amount exceeding these thresholds, as reported in the audited financial statements, must be repaid to the Ministry within 90 days of the fiscal year end. The funding agreement also limits unrestricted net assets to a maximum of $250,000 with any amounts exceeding this maximum paid back to the Ministry within the same time frame.

a) Partnership Marketing Fund

The Authority has entered into contracts with the tourism regions and industry partners to provide funds for eligible marketing activities to be carried out subsequent to the year-end. During the year, the Authority's Board of Directors internally restricted $146,488 (2010 - $53,093) of unrestricted net assets, the maximum amount remaining to be paid out pursuant to these contracts and subject to the regions and partners incurring eligible marketing expenditures by November 30, 2011. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Changes to the net assets restricted for the Partnership Marketing Fund are as follows:

	2011	2010
Beginning balance	**$102,744**	$156,106
Less expenditures incurred during the year on regional and industry partner marketing activities	**(35,825)**	(75,847)
Less funds transferred to President's Marketing Advisory Fund representing unspent marketing funds from previous year's marketing contracts	**-**	(30,608)
Add internally imposed restrictions during the year	**146,488**	53,093
Ending balance	**$213,407**	$102,744

b) President's Marketing Advisory Fund

During the year, the Authority's Board of Directors internally restricted $23,366 (2010 - $30,608) for the President's Marketing Advisory Fund. The CEO of Tourism Saskatchewan determines provincial marketing campaigns, in consultation with the President's Marketing Advisory Council. The additional amount represents unspent marketing funds from the previous years' marketing contracts with the tourism regions and industry partners and is being restricted for this purpose consistent with the recommendation presented in the renewal of the MOA agreement.

Changes to the net assets restricted for the President's Marketing Advisory Fund are as follows:

	2011	2010
Beginning balance	**$78,521**	$124,817
Add internally imposed restrictions during the year representing repaid marketing funds from previous year's marketing contracts	**23,366**	30,608
Less expenditures	**(60,417)**	(76,904)
	$41,470	$78,521

NOTES TO THE

YEAR ENDED SEPTEMBER 30, 2011

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Less expenditures	**(60,417)**	(76,904)
	$41,470	$78,521

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2011

c) Education and Training Fund

In 2005, the Authority's Board of Directors set up a restricted fund for operational purposes for expenditures with the Saskatchewan Tourism Education Council (STEC). During the year, the Authority's Board of Directors internally restricted $120,924 (2010 - $8,606) for education and training.

Changes to the net assets restricted for the Education and Training fund are as follows:

	2011	2010
Beginning balance	$8,606	$400,000
Less expenditures incurred during year	(8,606)	(391,394)
Add internally imposed restrictions during the year	120,924	-
Ending balance	$120,924	$8,606

d) Initiatives Fund

The Authority's Board of Directors has internally restricted funds to be used for certain initiatives. During the year, the Authority's Board of Directors internally restricted $245,123 (2010 - $nil) for other initiatives.

Changes to the net assets restricted for the initiatives fund are as follows:

	2011	2010
Beginning balance	-	$44,469
Internally imposed restrictions during the year	$245,123	-
Less expenditures incurred during year	-	(44,469)
Ending balance	$245,123	-

11. COMMITMENTS

Leases
The Authority has entered into leases for office premises in Regina and Saskatoon and Visitor Reception Centres at various locations in the province. The future minimum lease payments are as follows:

2011	$806,080
2012	$805,514
2013	$805,670
2014	$649,604
2015	$664,676
2016 thereafter	$5,755,621

12. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	2011	2010
Accounts receivable	$228,390	$70,893
GST receivable	195,984	(135,180)
Inventory	3,279	6,858
Prepaid expenses	(33,875)	4,475
Accounts payable and accrued liabilities	187,001	(700,789)
Deferred grant contribution	(288,125)	1
Unearned revenue	21,145	(48,489)
Change in working capital	$313,800	($802,431)

13. ECONOMIC DEPENDENCE

The Authority receives approximately 79% of its revenue from the Ministry of Tourism, Parks, Culture and Sport. The Authority is dependent on the funding from the Ministry in order to maintain operations at the current level.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2011

14. CAPITAL MANAGEMENT

The government funding provided to the Authority must be used to deliver the Authority's business plan. At each fiscal year end, the maximum amount of restricted net assets as per the audited financial statements cannot exceed $900,000. Any amount in excess of this shall be paid to the Minister of Finance within 90 days. The Authority is also allowed to accumulate up to $250,000 in unrestricted net assets. Again, any amount in excess of this amount shall be paid to the Minister of Finance within 90 days. To stay within these restrictions, managers receive monthly spending reports compared to budget. Revised budgets are done twice a year to ensure responsible and accurate program spending with excess funds reallocated as required.

15. DEFINED CONTRIBUTION PENSION PLAN

The Authority has a defined contribution plan for employees. The Authority's obligations are limited to matching contributions made by the employees for current services. During the year, the Authority contributed $304,584 (2010 - $311,532).

16. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform to the current year's presentation.

Berry Barn Eatery and Gift Shop, Saskatoon

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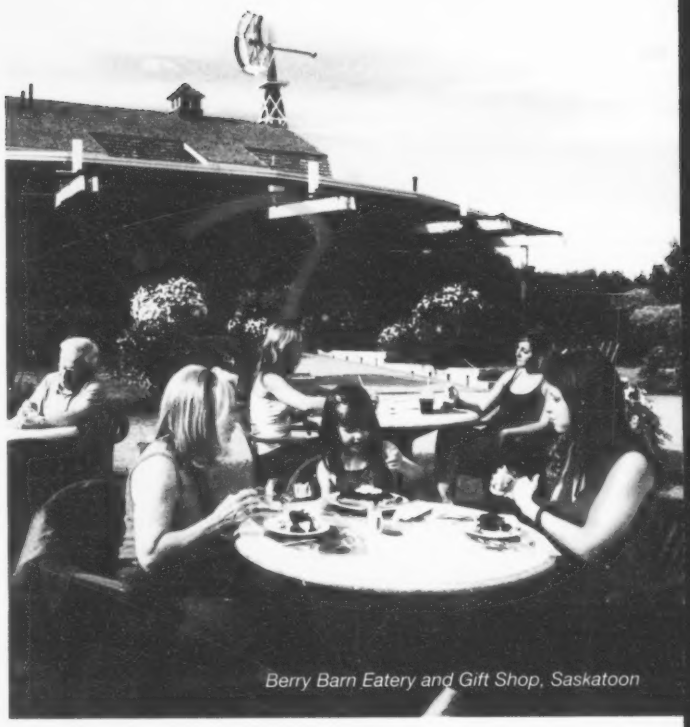

Berry Barn Eatery and Gift Shop, Saskatoon

SCHEDULE OF EXPENSES

YEAR ENDED SEPTEMBER 30, 2011

ADMINISTRATION EXPENSES

SCHEDULE 1

	2011	2010
Amortization	**$61,067**	$55,447
Building rental	**95,175**	79,569
Equipment rental	**25,606**	20,367
Insurance	**19,067**	17,482
Interest and bank charges	**88,676**	22,797
Legal	**27,271**	81
Postage	**10,114**	13,291
Professional services	**169,824**	257,073
Repairs and maintenance	**10,682**	28,892
Salaries and benefits	**1,102,723**	1,597,421
Stationery and supplies	**26,508**	32,459
System consulting/development	**50,969**	16,571
Telephone	**12,605**	13,818
Travel	**51,200**	52,600
	$1,751,487	$2,207,868

See accompanying notes to financial statements.

EDUCATION AND TRAINING EXPENSES

SCHEDULE 2

	2011	2010
Amortization	**$98,386**	$89,332
Building rental	**138,210**	115,549
Professional services	**178,458**	168,161
Salaries and benefits	**1,134,150**	1,263,891
STEC training costs	**1,102,378**	1,343,575
Travel	**44,760**	86,527
	$2,696,342	$3,067,035

See accompanying notes to financial statements.

SCHEDULE OF EXPENSES

YEAR ENDED SEPTEMBER 30, 2011
MARKETING AND ADVERTISING EXPENSES

SCHEDULE 3

	Unrestricted Operations	Internally Restricted for Education and Training Fund	Internally Restricted for Partnership Marketing	Internally Restricted for President's Marketing Advisory	Total 2011	Total 2010
Advertising and media publicity	$1,765,303	-		$60,417	$1,825,720	$2,135,485
Amortization	164,881	-	-	-	164,881	149,707
Association and professional dues	14,877	-	-	-	14,877	12,510
Audio visual supplies	89,449	-	-	-	89,449	78,702
Building rental	151,452	-	-	-	151,452	126,619
Courier and freight	46,226	-	-	-	46,226	36,847
Events	183,348	-	-	-	183,348	216,460
Partnership Marketing Fund	1,262,705	-	35,825	-	1,298,530	1,324,184
Postage	22,640	-	-	-	22,640	21,000
Professional services	745,831	8,606	-	-	754,437	1,623,557
Promotional items	23,083	-	-	-	23,083	55,019
Salaries and benefits	2,614,072	-	-	-	2,614,072	1,922,934
Subscriptions and reference material	11,349	-	-	-	11,349	26,109
Telephone	36,345	-	-	-	36,345	37,394
Travel	470,638	-	-	-	470,638	462,387
Travel show costs	177,990	-	-	-	177,990	202,944
	$7,780,189	$8,606	$35,825	$60,417	$7,865,037	$8,431,858

See accompanying notes to financial statements.

SCHEDULE OF EXPENSES

YEAR ENDED SEPTEMBER 30, 2011
MEMBERSHIP AND VISITOR SERVICES EXPENSES

SCHEDULE 4

	2011	2010
Amortization	**$354,190**	$321,594
Building rental	**442,769**	370,170
Postage	**111,374**	211,347
Printing, publishing, and duplication	**8,336**	12,050
Salaries and benefits	**515,107**	527,598
Telephone	**47,859**	51,025
Travel	**9,928**	13,073
Travel literature	**330,934**	350,872
	$1,820,496	$1,857,729

See accompanying notes to financial statements.

Sky diving over Moose Jaw
Snap It! The Great Saskatchewan Photo Contest Grand Prize Winner 2011 – Michael Lai

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